

The **NATIONAL UNDERWRITER**

Life Insurance Edition

Their future is our business *Today*



Throughout Canada and the United States hundreds of thousands of men, women and children . . . individually . . . as families . . . as groups are served by the Great-West Life.

With more than 1¼ billions of life insurance and annuities in force, the Great-West Life continues to expand and improve its services to policyholders from coast to coast.

GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE-WINNIPEG, CANADA

FRIDAY, NOVEMBER 26, 1948

577 Northwestern Mutual Agents Win the National Quality Award



THE Northwestern Mutual is proud of the 577 members of its Agency organization who won the National Quality award, sponsored by the Life Insurance Agency Management Association and the National Association of Life Underwriters.

The record of this group of Leaders is indeed noteworthy. We are especially proud of the fact that nearly 30%—161 agents—have achieved 100% persistency. All told, \$471,967,000 of Northwestern Mutual insurance was exposed for the full two year period—1946-'47. Of this substantial amount, 99.7% was still in force at the end of this two year period.

This type of policyholder-agent relationship helps the Northwestern Mutual excel in that happiest of all business relationships... old customers coming back for more.

The NORTHWESTERN MUTUAL Life Insurance Co.

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Lowell Mason Gives His Views on FTC and Insurance

**Advocates Proceeding
Slowly and Avoiding Hit
and Miss Prosecution**

A large and highly representative insurance audience riveted attention on every word that was spoken by Lowell B. Mason, vice-chairman of federal trade commission, in addressing the luncheon gathering that closed the annual meeting of National Assn. of Independent Insurers at Chicago. The audience included not only N.A.I.I. people, but several insurance commissioners and other state insurance department personnel, and top representatives of American Mutual Alliance, American Life Convention, Assn. of Casualty & Surety Companies, Chicago Board of Underwriters and H. & A. Underwriters Conference among others. Interest in Mr. Mason's appearance was heightened by the fact that it had just been announced that FTC had decided to call a trade practice conference on mail order insurance for Chicago, Dec. 8. The audience was listening as detectives. They were very anxious to catch any hint from the speaker as to what the ultimate objective of FTC may be in its approach to insurance supervision. The reaction of the audience was mixed. Some expressed surprise that he said as much as he did while others voiced disappointment that he didn't say more. He couldn't have been more positive in advocating preservation of local regulation of insurance, but that only served to raise the question of how representative Mr. Mason's position might be. He is a Republican and he admitted that in some important policies, he is split with his fellow commissioners.

Question of Validity

One question that he did not touch on was the possible validity of FTC rules in connection with insurance practices in those states which have enacted fair trade practices laws of their own in order to take advantage of the invitation of public law 15 to provide state regulation that will oust the federal government of jurisdiction.

Mr. Mason was introduced by Congressman Gorski of the fifth congressional district of Chicago. Mr. Mason pointed out that an FTC commissioner is in for seven years. He declared that until the time of the S.E.U.A. decision, the insurance business has operated on the assumption that the federal government would not consider insurance as interstate commerce. Now there is the fear that "somebody is going to stick his nose in my business."

FTC, Mr. Mason characterized as a five-man board of traffic cops for business. They prescribe what can be done in the way of advertising, they act to prevent conspiracies in restraint of trade, and to prevent unfair acts in commerce.

FTC Is "Feeling Its Way"

Mr. Mason said he is not "happy" on how FTC has been pursuing its objectives. He said he has been opposed to hit or miss prosecutions. He would much prefer to deal with questions that arise on an industry-wide basis, but he

October Purchases 9% Below Last Year's Figure

**Ordinary Suffers 11%
Drop Against CSO
Bulge in 1947**

Life insurance purchases in the U. S. in October were down 9 per cent from purchases in the corresponding month of last year, but were still 60 per cent over sales for October, 1941, Life Insurance Agency Management Assn. reports. Total purchases in October were \$1,684,816,000 compared with \$1,856,703,000 in October of last year.

As was pointed out in an article in THE NATIONAL UNDERWRITER last week a marked decline is expected in ordinary sales for each of the last three months of 1948 as compared to last year when the pending CSO changes produced an artificial sales bulge. Progressively heavier declines are expected in November and December, attributable at least in a large part to the CSO stimulus last year.

Purchases of ordinary life in October were \$1,149,985,000, 11 per cent smaller than a year ago. Industrial amounted to \$353,275,000, a decrease of 3 per cent from the corresponding month last year. Group life purchases were \$181,556,000 in October, a decrease of 10 per cent from October a year ago, but 94 per cent over the figure for October, 1941. These purchases represent new groups set up and do not include additions of personnel under group insurance contracts already in force.

In the first 10 months of the year, total purchases were \$17,583,692,000, a decrease of 1 per cent from the first 10 months of 1947 and 86 per cent over the corresponding period of 1941. Purchases of ordinary life insurance accounted for \$11,953,070,000 of the aggregate, a decrease of 1 per cent from last year. Industrial purchases represented \$3,477,787,000, a negligible increase over last year, while group life insurance purchases amounted to \$2,152,835,000, a slight decrease as compared with the first 10 months of last year.

ALL BIG CITIES DOWN

All the large cities showed a drop for October in sales of ordinary, according to L.I.A.M.A. Philadelphia, with a 1% gain, was the only one to show a plus for the first 10 months. Philadelphia had a 13% drop for October. Following

went on to say that the method of approach that he has been advocating seems to be the way that FTC is proceeding in the insurance field. He said that FTC is "feeling its way" insofar as insurance is concerned. The situation created by the S.E.U.A. decision was just as much of a surprise to FTC as it was to the insurance industry, he declared. The policy is to proceed slowly and to rely on the guidance, advice and help of insurance men and state insurance supervisors. However, he emphasized that so far the FTC has not used the technique of hit and miss prosecution. He said FTC sits at the feet of the insurance commissioners.

The mail order boys, he said, have been in trouble. They have been a sore spot in the industry and they asked for a trade practice conference. There are plenty of practices in this field that did not come up to the standards of the industry, he declared. If those standards can be raised it will be beneficial to the

(CONTINUED ON PAGE 19)

Ind. Commissioner Sees Federal Control Nearing Rapidly

Declaring that the federal trade practices conference scheduled for Chicago Dec. 18 is the opening move of the federal government toward control of the insurance industry, Commissioner Pearson of Indiana predicted that "federalization" of the business will be a reality within a relatively short time.

Addressing the Butler University Insurance Club at a dinner at Indianapolis, Mr. Pearson declared that the trend toward "federalization" of all American business is running irresistibly and that only a revulsion of public sentiment could stop it.

"No such uprising of public opinion is anywhere on the horizon at the present time," he stated, "despite the fact that no proof has been offered that federal control can do a better regulatory job than 'home control.'"

The federal trade practices conference has been called to draft federal regulations to control mail solicitation of insurance.

are the percentage decreases for the others, the first being for October and the second for the first 10 months: Boston 37 and 11; Chicago 19 and 4; Cleveland 26 and 4; Detroit 18 and 2; Los Angeles 13 and 4; New York City 18 and 7; St. Louis 22 and 7.

Among the states Wyoming showed the greatest October increase with 8% while for the first 10 months Virginia and West Virginia were tied for best gain with increases of 9%.

BRITISH PRODUCTION DOWN

British life insurance production is showing a decline for the second half year, a sharp drop from the high production of 1945-47 and the early part of 1948. Factors blamed for the decline are the satisfying of the demand backlog built up during the war, when many agents were in the service; the reduced purchasing power, and the easing of rationing and controls which heighten the competition from tangible goods.

Wis. Solons Forecast UCD Bill on Jersey Pattern

The sub-committee on labor, industry, small business and commerce of the Wisconsin legislature in a report forecasts introduction of compulsory disability legislation in the next session and observes that "there seems to be no good reason why that protection cannot be secured largely through private insurance companies." The committee reported that the workers covered, the amount of weekly compensation, the number of weeks and benefits provided probably will parallel closely the workmen's compensation law, which the sub-committee has scored because it excludes farm workers and employees in small enterprises.

Bowe Nashville Speaker

Dr. William J. Bowe of the faculty of Vanderbilt University law school, addressed Nashville General Agents & Managers Assn. on "Modern Estate Planning."

National Fidelity Life of Kansas City conducted classes in life insurance fundamentals at the home office for 20 of their new agents. Classes were run by W. Ralph Jones, president, and Ben Taylor, agency vice-president.

Committee Probes Company Size, Private Placements

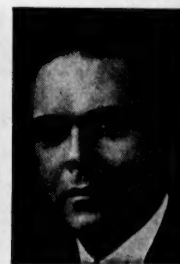
**N. Y. Legislative Group
Quizzes Lincoln and
Other Life Executives**

By KENNETH O. FORCE

NEW YORK—Although the memorandum filed by President Leroy A. Lincoln of Metropolitan Life and the statement of President Carrol M. Shanks of Prudential before the joint legislative committee on insurance rates and regulation prior to its hearing here stressed that the committee's concern over size



L. A. Lincoln



R. E. Dineen

and growth of life insurers is wholly unwarranted, the committee itself expressed the most interest in the private placement of debt securities. Walter J. Mahoney, Buffalo, heads the committee.

Others who testified were Thomas I. Parkinson, president Equitable Society; D. C. Josephs, president New York Life; Superintendent Dineen, and I. Krowitz of the life division of the New York department.

At present Mr. Dineen has no suggestions on legislation restricting or controlling private placements. The problem concerns other investors besides life companies, he said, and he doesn't think the need for immediate action warrants a hasty and perhaps incorrect legislative answer to the problem.

Could Renew Shaky Loan

That problem, he said, was the possible mischief that can be done because a privately placed loan may be renewed at the very time the borrower is in difficulty.

An ancillary problem is investment in common stocks and while Mr. Dineen doesn't like the idea, he believes the department is under obligation to explore it. Companies are not of such size now, he added, that there should be a limit imposed.

The indication was that legislation might be not be suggested by the committee for at least a year on private placements.

Both Mr. Lincoln and Mr. Shanks strongly defended their arguments that no limitation is necessary on the amount of loans privately placed. Mr. Lincoln, who appeared on the stand as the first witness, testified that his company had 21.5% of its assets invested in privately placed loans as of Oct. 31. The largest is \$100 million of Shell Caribbean Oil Co., which represents 1.1% of total assets.

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Small Companies Not Now Critical of Private Loans

As a result of the easing of the former serious shortage of outlets for money, the criticism of privately negotiated loans which several years ago was heard rather frequently, that the smaller companies had no opportunity to participate, no longer is being voiced. The management of these companies still point out that they don't have an opportunity to participate in all of the loans directly placed that they might want to share.

However, so many businesses and industries are seeking additional capital for expansion of plants or facilities, that even the smaller companies are being offered a variety of these loans. The smaller company thus has been able to take on an entire loan, if it were not too sizable, or participate in about as many as it wanted to. The volume of such financing is so large that the small and medium size company not only can be but is being particular. It is turning down some. There are enough opportunities to permit selection.

May Change in Couple of Years

The present opportunities for this type of financing may not always be available. The current demand is at a record high. In a couple of years, smaller life companies again may need outlets, including privately placed financing.

The question of participation in such loans could then become more critical. The present situation could change more quickly than that, should there be an economic decline. Many life companies today are committed almost a year ahead, for all of the money that they can see coming in. Financial men expect the utilities, if the present economic level continues, to be getting expansion money for another two years at least, possibly three. Fields other than utilities are spotty—some of them have pretty well completed needed expansion; in others some companies may have done this and others have not.

Some Loans to Be Paid Off

With the big earnings of business and industry this year, some borrowers are expected to pay off loans. One large concern expects to retire approximately \$100 million of debt, and life companies have some of this. However, even though this should be done by a number of borrowers, the life people don't believe the process of repayment will build up their funds so rapidly as to recreate pressure to find investment outlets. The utilities will take a lot of money, unless there is a recession and they have to modify their present expansion plans.

If the stock market shows some improvement, will it tend to attract borrowers into the market for money and would this tend to decrease the opportunity of life companies for private financing? Many firms have thought that the equity route, because of the stock market doldrums, made that method uneconomic. With a livelier market and rising interest rates in debt financing, life companies could conceivably find the volume of loans available to them reduced.

EQUITY FINANCING

Actually, life investment men believe more equity financing would be a good thing. Some borrowers are getting too large a proportion of their obligations into debt securities rather than in equity stocks. A company can't skip an interest payment on a debt loan without running into serious consequences, but it can pass dividends and thus adjust itself to the rise and fall of economic fortune.

Most of the privately negotiated loans that have been publicized have been the larger ones in which smaller companies could not participate without unduly increasing the number of offerees. While there has been no limit set by the Secur-

ities & Exchange Commission on the number of companies that can participate in a private loan, without its becoming a public offering, this number might be 10 or 15. This, then, is a consideration by both borrower and lenders as to spread of participation. It is probably true that the smaller company could not meet the obligations imposed by the larger loans, but it can participate in or handle smaller ones. Or their needs may be satisfied by purchase of a small number of bonds.

Must Move More Cautiously

Large companies cannot move in and out of the public market for its needs as readily as a smaller company. If a company among the first 10 in size were to sell a bond or other security and word got out that it was doing so, this would tend to discredit the security. The large company because of its size cannot and does not jump in and out of the securities market as does the smaller company.

Also, the smaller company can get securities and make loans of a localized nature that the large companies have no opportunity to get.

There is a tendency among the large companies to operate conservatively and with judicious consideration for all the dangers as well as the opportunities afforded in the private placement field. For example, one company has a maximum beyond which it will not participate or over which it will not go in taking a private loan. In comparison to the funds it has available for investment, this figure is modest. There is no effort in this to secure "spread". It would be glad to take all of a loan, if it were agreeable to taking any of it; but it believes that the bigger companies

can't afford to dominate this field, as a matter of policy. The suggestion that other companies participate in a loan in which it is interested usually comes from the investment banker. Infrequently a borrower will approach several companies directly and those or most of those so approached will handle the whole loan. The important thing is, however, that the management believes there should not be an "entente". The smaller companies can arrange participation in a loan with greater immunity than the larger ones.

Source of Private Loans.

Some companies get most of their private loans from investment bankers; they do not solicit the loans directly, or, if they do, they do it only occasionally. Such companies like to have a third party in the negotiations. The borrower regards suggestions made by the lender as "trading", but those of a third party as less partial. Some loans come from the commercial banks, although this seldom occurs and then only when the commercial banker happens to know about the need for the loan and the borrower asks him to act as an intermediary.

Some life insurers don't believe in direct solicitation because they think it is poor policy. The life company money is there, the borrowers know where to get it. To solicit the business directly hardly adds to the prestige of the life business, they believe, and it might even tend to make such funds less sought after as time goes on. There may be some influence exercised as to terms by this approach.

IF TROUBLE COMES

If a company has a large debt issue on a concern and the company gets into difficulties, wouldn't the life company be stuck with it? It could not, as in the

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90% of Pension Plans Need Review, Goldstein Says

NEW YORK—A detailed examination of a broad representative cross section of existing pension and profit-sharing plans in United States indicates that nine out of 10 need reviewing, Meyer M. Goldstein, director of the Pension Planning Co. of New York, said at the annual institute on federal taxation of New York University's division of general education.

Mr. Goldstein said that undoubtedly a high percentage of these needs amending and that probably more of them will need it as time goes on. He said that about two-thirds of the total number of plans consist of those in which there is a probability that the wrong type of funding method has been used in the light of today's changed conditions of the employer.

Type of plans in which the funding method would be most apt to a major weakness, in addition to other faults, he said, are pension plans funded by individual retirement income policies, with or without insurance. Secondly, most plans originally established as deferred distribution profit-sharing trusts need to be amended because they have been found to fail to solve the employer's problem of either adequate take-home pay or adequate pensions. Third are hybrid types of plans, such as those that attempted to combine an inadequate pension plan with a deferred distribution profit-sharing trust plan.

Another major group of plans needing amendment are those that have limited their eligibility requirements to salaried employees only or employees earning over say \$3,000 a year or both. Most of these need to be broadened to cover all permanent employees of the organization who may ultimately emerge as a pension problem.

Finally, hanging over most plans, regardless of funding methods, is the added problem of providing more adequate pension benefits to facilitate orderly retirements currently because of the higher plateau of increased living costs, wages, and correspondingly the need for larger pensions than the original formula provided, he said.

Conn. Hospitals Ask Actual Cost Pay from Blue Cross

HARTFORD—Connecticut Hospital Assn. has voted to press for increased charges in Blue Cross, state, and workmen's compensation cases. At the annual meeting at New Haven, negotiators for the 26 member hospitals were instructed to seek compensation on the basis of actual costs.

The association decided to revoke its contract with the Blue Cross, and seek to negotiate it as far as the so-called special service costs, for medicines, operating rooms, X-rays, laboratories and the like, are concerned.

The Blue Cross now pays \$3.60 a day as a minimum, with further payments bringing the average up to about \$5 a day. The association wants to have the Blue Cross recognize the actual cost principle, and pay \$5.10 a day for special services. That figure was arrived at by a uniform cost study in 13 of the member hospitals.

Charges to the Blue Cross for room and board of patients, and for maternity care, would remain as they are.

The state now pays \$5 a day for ward service to indigents and other state cases. The association says the average total cost in the 13 hospitals is \$14.98 a day.

Similarly, in workmen's compensation payments, the association wants the actual cost to the hospitals to determine charges to the Blue Cross. A recent agreement raised room-and-board charges for those cases to \$8.25.



WHERE A DOLLAR WORKS

Any permanent type of life insurance represents money, doing its most efficient job—buying immediate family protection and peace of mind, buying protection against a capricious fate, and/or buying a guaranteed income for the Autumn years of life.

These individual benefits plus those accruing to Society through a Life Insurance Company's investment policies are the results of dollars working where they will do the most good; in Life Insurance.

Insurance in Force — September 30, 1948 — \$378,985,098

COMMONWEALTH
LIFE INSURANCE COMPANY
LOUISVILLE

Honor Memory of Harold R. Gordon

Skutt Doesn't Expect Compulsory Health Legislation in Congress

At the annual dinner of Chicago A. & H. Assn., arranged as a memorial for Harold R. Gordon, late managing director of H. & A. Underwriters Conference, practically the entire program was devoted to tributes to his memory. V. J. Skutt, Mutual Benefit H. & A. conference president, who was the chief speaker and eulogist, also reviewed briefly some of the problems confronting A. & H. insurance and told why he does not think Congress will pass a compulsory health insurance bill.

The association's own tribute was the adoption of a resolution, presented by E. H. O'Connor, Insurance Economics Society, which reviewed Mr. Gordon's work and the affection in which he was held by all of those in the A. & H. business and provided for the presentation of an inscribed gavel each year to the official of the National association or any local association who has done the most to perpetuate the ideals for which Mr. Gordon gave his all.

Wessman Starts Eulogies

Eulogies of Mr. Gordon started with the opening address of Irving G. Wessman, Loyalty group, president of the Chicago association, who also outlined the plans for the association's Christmas party for orphans and asked for additional aid in carrying it through. Additional tributes were paid by O. J. Breidenbaugh, executive secretary National Assn. of A. & H. Underwriters; Robert L. Hogg, executive vice-president of American Life Convention, speaking for the life insurance interests, and Insurance Director Parkinson of Illinois. Mr. Parkinson was introduced and his record praised by B. H. Gross, Chicago manager of Travelers. Commissioners Pearson of Indiana and Sullivan of Kansas, who with Mr. Parkinson are members of the A. & H. committee of N.A.I.C., also were present.

There was a large attendance of company executives from outside the city, including a number who were attending the group insurance meeting of the H. & A. Conference.

Not Concerned With PL 15

Mr. Skutt said that the important issues before the business today are those dealing with the federal government, state supervision and relations between companies and salesmen, including public relations.

On the first point he said he is not concerned over the expiration of the moratorium under PL 15, and believes that the states have enacted sufficient legislation to meet its requirements, if these laws are properly administered by the insurance departments and the companies and agents conduct the business properly, and he believes that both of these conditions will be met. He cited a recent statement by Senator McCarran in confirmation of this view. He said, however, that there could be some action by federal trade commission or the anti-trust division and he urged that, to forestall action along any of these lines, business should continue to be conducted on the highest possible plane, which always had been one of Mr. Gordon's great objectives.

Give Congress Full Story

He said that he could not be so certain in regard to the socialization of insurance and enactment of a compulsory health insurance law, but does not believe any action along that line will be taken if Congress gets the full story of what the business has done and is doing, and the dangers in the plans proposed. He urged that every possible

effort be made to get this information before the congressmen, stating that the business can't rely on Congress to get the facts for itself and Congress certainly cannot rely on the information which it receives from federal authorities.

Mr. Skutt gave four reasons why he believes Congress will not act favorably on compulsory health insurance: (1) Most of the people in this country, and probably most members of Congress, prefer the American way of life and the free enterprise system; (2) the impracticability of the administration of such a plan by the federal government; (3) the failure of such plans in other countries, the latest in England; (4) protection can be made available under the present system or, if necessary, in cooperation with state plans.

Too Big for S.S. Board

On the question of impracticability, he said that there are now between 80 and 85 million under social security. Experience under A. & H. insurance has been that one out of four policyholders has a claim each year. That would mean more than 20 million claims, assuming that the claim incidence would be no greater under a government plan. He asked how many people and what kind of assistance would be required to handle those claims. It may be stated that an organization already is set up under the social security administration, but Mr. Skutt said it has but two problems to determine, the age of the claimant under old age benefits and the question of employment under unemployment insurance, both very simple. To determine whether an employee is too sick to work is, however, quite another matter. Even the life companies, with all the machinery they have set up, found that total and permanent disability was such a complicated matter that it really constituted a business by itself, and that

(CONTINUED ON PAGE 10)

Funds in Business, Industry Top Life Company Holdings

For the first time since 1942, life insurance investments in the securities of business and industry represent the largest block of assets, the Institute of Life Insurance reports.

Life company holdings of securities of this type were \$18,538 million on Sept. 30, up \$2,794,000,000 since the first of the year and 80% larger than similar investments prior to the war.

Prior to 1942, corporate stocks and bonds had always exceeded U. S. government securities in the life company holdings; since 1935 they have exceeded mortgage holdings.

Third quarter purchases of business and industrial securities were \$934 million in the first nine months of the year such purchases were \$3,327,000,000.

Life company holdings of U. S. government securities, largest investment unit of the companies since 1942, were in second place in the third quarter, but still total \$17,642,000,000 and represent 32% of total assets. The third quarter purchases of \$513 million of the U. S. government securities were more than offset by maturities and replacements, net holdings of this type decreasing \$1,016,000,000 in the quarter.

Old Republic Boosts Capital

At a special stockholders meeting last week of Old Republic Credit Life a stock dividend of 36,000 shares was declared, thus increasing the capital from 360,000 shares with a par value of \$540,000. The action is of record Nov. 19. The board of directors was permanently reduced to nine members. The 10th member had been Dr. John A. Christenson, who died in September.

Says Regulations on Marital Deduction Need Clarifying

Tentative regulations issued by the Treasury Department are not so clear with respect to life insurance proceeds as they are regarding trusts, according to John H. Overbeck, Jr., partner in Millett, Lewis & Ross, Chicago attorneys.

Points that Mr. Overbeck says need clarification are whether the exercise of a power by a widow is limited by such requirements in insurance policies as the necessity for filing notice on a particular type of company form, or having the exercise of the power endorsed on the policy; and the status of insurance owned by a wife or some other person at the time of the insured's death but which is partly included in the insured's estate by reason of his having paid part of the premiums.

None of these points present insurmountable difficulties, Mr. Overbeck feels, and while it would cause additional complications for the companies if the Treasury should take the most restrictive view on these points the companies could modify their procedures so that there would be no trouble in getting the marital deduction.

W. J. Smyth of National Underwriter Is Retiring

William J. Smyth, sales representative of THE NATIONAL UNDERWRITER for



W. J. Smyth

the past 22 years, with headquarters at New York, will retire from active business life Dec. 1. For the past two years Mr. Smyth's health has not been good and his doctor advises now that rest, relaxation and inactivity are imperative.

Mr. Smyth's field work, which began with the Spectator Co., has taken him to nearly every part of the United States. For several years he traveled extensively in the southeast, and was for some time resident manager of The National Underwriter Co. at Philadelphia. In recent years he has traveled in Pennsylvania, New York state, New Jersey, Ontario and Quebec.

Mr. Smyth is one of the most popular figures in the sales ranks of insurance publishing. Congenial, companionable, and possessed of an extraordinary talent for dialect story telling and anecdote spinning, he has been a welcome figure in the insurance offices in his territory.

He will continue to reside at New York, where he hopes that the medical attention he will receive will restore him to normal health.

Mutual Life Upheld in Portal-to-Portal Case

WASHINGTON—The Supreme Court in effect sustained the contention of Mutual Life in denying certiorari writ to the second circuit court petitioned for by Theodore Darr and other service employees in the company's home office.

Employees claimed overtime pay for a period in 1940, under the wage and hour act but the company contended and the courts held provisions of the portal to portal act constitutional which exclude liability for overtime compensation when an employer acts in good faith on the basis of government administrative ruling or practice.

The suit involved only \$660, but the legal costs and damages might have moved the total up around \$20,000. The case had been pushed mainly to establish a principle for other suits, its insurance implications being rather minor.

If a Prospect

Bernard Jaffe, of the Penn Mutual's Forrest J. Curry Agency in San Francisco, says:

"The first few minutes of the interview should indicate whether we have properly classified the individual as a prospect, and whether we are getting his interest sufficiently to proceed toward the close. I cannot see that there is one particular time during the course of an interview which is more important than another, as every part of it through a normal procedure leads up to the selling of the policy.

"Most everyone would encounter a particular time as to when to stop an interview and attempt to close. In my own procedure I attempt to find a time when all questions have been answered, and all objections, presumably, have been satisfied; and then I ask the manner in which payment is to be made, whether annually, semi-annually, or quarterly."

• • •

THE PENN MUTUAL LIFE INSURANCE CO.

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Selection Dept. Demand Study

J. Harold Smith of Edward F. O'Toole & Associates, managerial consultant, New York, advised his hearers at the annual meeting of the Institute of Home Office Underwriters in Washington that organization principles are especially important to an underwriting department, because it has within it the unusual combination of highly complex technical work and purely routine clerical work. In order to measure the organizational requirements, the principal duties of the departments should be clearly defined in written form. Mr. Smith emphasized that each duty should be assigned to just one organizational unit to avoid duplication and overlapping. All of the duties assigned to one unit should be related or similar. Over-organization should be avoided by making sure that no unit is set up unless it has a distinct job to perform. He warned that if the unit is charged with responsibility for particular duties, equivalent authority must be given to the unit supervisor.

All supervisors should know who reports to them and all subordinates

should know the supervisor to whom they report, the speaker declared. At the same time, no person should report to more than one supervisor. He indicated that the department head must divorce himself of actual performance of minor details of work to concern himself with more important matters of broad policy. It is preferable to secure competent clerical underwriting personnel to whom full responsibility and authority is given for the day to day work performance while the department head devotes himself to planning, consultation on special and large risks and overall supervision, he declared. It is not possible to lay down a hard and fast rule as to the number of people who can work effectively under one supervisor, but the number of people reporting to a supervisor should not exceed the number which can be effectively coordinated and directed, he stated.

D. H. Feay Vice-President of Union Labor Life

Dallas H. Feay has been appointed vice-president and actuary of Union Labor Life, effective Dec. 1. He was for 14 years with Metropolitan Life, followed by four years of diversified work as assistant actuary with Central

Life of Illinois. Since early 1947 and part of 1948, Mr. Feay performed additional managerial duties with Central Life. The company was reinsuring Conservative Life of Indiana and a separate unit was set up in South Bend with Mr. Feay in charge.

Mr. Feay's brother, Herbert, is actuary of the New York department; Maurice, another brother, is with Equitable Society and a third brother, Arthur, is with Occidental Life. Mr. Feay is a graduate of Iowa University.

Good Presents 250 Books on Insurance to Library

As part of his 25th anniversary celebration with Prudential, Lara P. Good, manager at San Diego, presented the San Diego library with 250 volumes from his insurance library. He asked that this be the nucleus for a special life insurance section in the library. He was chairman of the National Assn. of Life Underwriters' education committee in 1933-34.

American Progressive Health of New York has been licensed in Florida. The company is now in New York, Pennsylvania, Delaware and Colorado.

250 Get Sales Ideas at Pittsburgh

A group of 250 accident and health men attended the Pittsburgh A. & H. Assn. sales congress last week, and an outstanding lineup of speakers provided the most successful meeting the group has had with a variety of sales ideas. R. Gordon Williams, Loyal Protective Life, local president, was in the chair.

Lloyd H. Feder, Ohio manager of Reliance Life, talked on the "The Bridge of Life." He pointed out that a person until his 21st birthday relies on someone else to pay the bills, but after that his earnings carry him through life. Mr. Feder said, "I don't believe in life insurance. I don't believe in accident and health insurance," and clarified his remarks by stating "my income is the only thing to be insured."

H. B. Morris, vice-president of American Health, told how Blue Cross sold the public on hospitalization insurance. A great many restrictions in the old hospitalization contracts have been eliminated. He remarked that calling on clients while they are confined to a hospital is a good source of securing leads. Many agents make the mistake of confining their sales to low income groups, but those in the higher brackets are as anxious to have their hospital bills covered.

Successful sales depend on a plan, A. W. Adey, secretary of Educators, said in his talk. He mentioned an agent who was a camera bug. When he saw a group of children playing he would single them out and take their pictures, getting their names and addresses. Then he would take the picture to the father and was successful in selling by using the opening sentence: "You have a darling daughter, Mr. Jones." He would stress the disaster of having the father's income cut off.

Clement Stone Talks

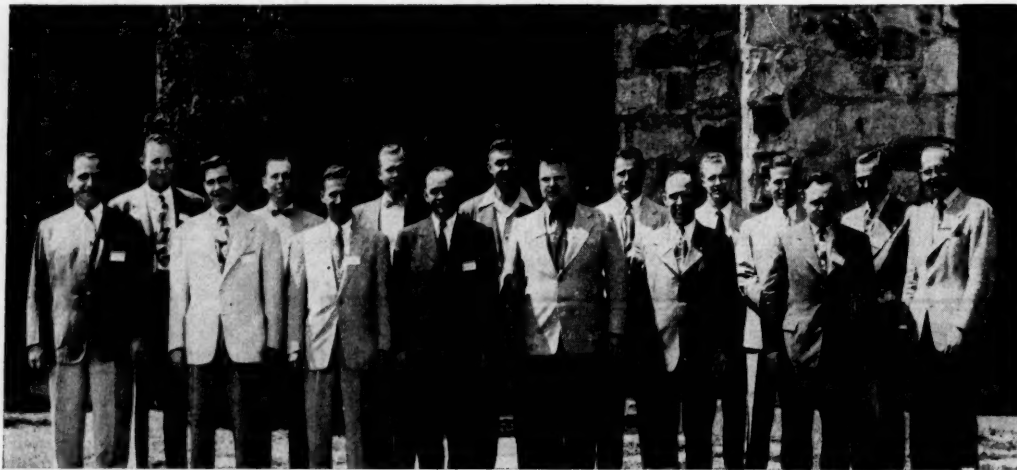
W. Clement Stone, president of Combined, emphasized the necessity of organized sales talks. He said the policy should be brought before the prospect and his senses focused on what the agent is saying. Humor is a good means of relieving tension. Mr. Stone said that talking in a commanding or enthusiastic voice will keep the prospect interested. The dinner speakers were J. B. Lambert, Ohio manager of Mutual Benefit H. & A., and Gilbert H. Knight, Federal Life & Casualty, and past president of the National Association, who said the only insurance against socialized medicine is membership in the state and national associations.

The meeting was concluded with a talk by Earl Putnam, president of Canada H. & A., whose subject was "The Common Denominator of Success." Mr. Putnam said success is forming the habit of doing things that failures do not like to do. Practice only grooves what the agent is doing, but if he is grooving an error, it is wise to alter the course and get back on the right bearing.

At Finance Conference

Old Republic Credit Life of Chicago and Credit Life of Springfield, O., maintained exhibits and had a large number of representatives attending the annual meeting of American Finance Conference at Chicago. These companies specialize in the 1% optional plan of providing insurance on the lives of borrowers in the small loan field. Those in hand from Credit Life were Dwight Hollenbeck, executive vice-president, and Wesley Harrison, Raymond S. Chambers, and G. W. Kramer, vice-presidents; G. J. Burger, assistant vice-president, and Reece Inman, representative with headquarters at Atlanta.

Old Republic Credit Life representatives were James H. Jarrell, president; Arthur J. Cad, and J. R. Freeman, vice-presidents, and W. R. Stover of the home office staff.



PROOF THAT PROVIDENT TRAINING PAYS—

These sixteen members of our field force are typical of the young men who have entered life underwriting through the Provident's Home Office training schools. This particular group produced a volume of \$3,208,500 during the past seven months.

Each graduate must successfully complete an eight week period of supervised field work before receiving his diploma. The records show that all of the graduates of the schools conducted

during the past two years have produced an average of \$6,657 weekly (or at the rate of \$350,000 annually) during that period.

Our Home Office schools merely lay a sound foundation for the advanced training the graduates receive under the Provident's program. However, the performance of these young men down to date is ample evidence they are well on the way toward outstanding careers as Provident Producers.



PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY

CHATTANOOGA

protecting provident people since 1887

1949 Problems Are Stressed by Hobbs at Chicago Rally

Life underwriters are up against a new federal administration and Congress in the legislative effort to come, and must tell a new story. P. B. Hobbs, Equitable Society, Chicago, past N.A.L.U. president, declared at a kick-off breakfast Tuesday which started a whirlwind eight-day membership campaign of the Chicago association for 1,000 new members by Dec. 1.

There will be new ways and means and finance committees of Congress, he said. N.A.L.U. has many still unattained objectives. One is to secure a fairer method of taxing annuities, a project which has been knocking around for a long time. Another is to remove the premium payment test on life insurance under the federal revenue act. Mr. Hobbs said congressmen pay heed to the reasonable demands of large numbers of voters, therefore greatly increased membership will bear weight with them.

Must Try to Hold Line

He is especially concerned about the social security proposals. "N.A.L.U. has been successful since 1935," he explained, "in selling Congress on the proposition that social security should be extended on a subsistence level." But because of the way the Presidential campaign was handled and the fact that the election results represent practically a directive to extend the health features of social security on a broad base, it is going to be a hard job to hold that arrangement. It seems very likely, Mr. Hobbs believes, that social security will be hooked to the price level. This means there will be great difficulty in reducing the levy for social security benefits when prices and national income drop.

Robert R. Reno, Jr., Equitable Society, C.A.L.U. president, also stressed the importance, legislatively, of large, representative association membership in Illinois. He emphasized that subjects which undoubtedly will come up for discussion in the next Illinois legislature are agents' qualifications, group life insurance definition, savings bank life insurance, investment insurance policies by guardians and trustees, county and municipal taxes, control of unauthorized and nonadmitted insurers, and state cash sickness plans.

Other Leaders Speaking

Other speakers included Harry R. Schultz, Mutual Life; Joy M. Luidens, C.A.L.U. executive secretary, and Joshua B. Glasser, Continental Assurance, who with Raymond Storck, Metropolitan, is co-chairman of membership.

The Chicago membership drive is highly organized, with a captain in each agency. He was supplied at the breakfast lists of prospects in his agency, with notations if they attended the Chicago regionals this year. Each prospect is assigned to a C.A.L.U. member in the agency to do the selling. Miss Luidens stressed this will result in each member also selling himself on prompt renewal.

Mr. Glasser pointed out that while living and business expenses have pyramided, C.A.L.U. membership dues have not been increased for over 20 years and represent for the individual less than the price of a newspaper daily. The Chicago individual agent's dues are only \$12 annually, of which \$4 goes to N.A.L.U. Unless effectiveness is increased, dues will have to be, he said.

Mr. Glasser discussed the national situation briefly, saying the mandate on social security given the President indicates clearly there will be some sweeping changes and additions in the scheme, and that no business will be affected as much as life insurance. For life insurance, he said, is social security.

A feature of the membership drive is

the offering of a television set to the winning member-sponsor.

Franklin Names G. A.s in Lincoln and Columbus

Patrick J. Barton has been appointed general agent in Lincoln, Neb., for Franklin Life. He formerly represented Pacific Mutual as district representative in Lincoln.

W. H. Kersker, Jr., formerly general agent for Monarch Life, has been appointed general agent in Columbus, O., by Franklin.

All-Industry Group to Hear Mail-Order Subcommittee

A meeting of the full all-industry committee has been tentatively scheduled for the Hampshire House, New York City, Dec. 10, on the eve of the N.A.I.C. convention, to receive the report of its subcommittee on mail order and unauthorized insurance.

That subcommittee, which is seeking

to formulate a proposal for handling these problems at the state level, had another meeting at New York Wednesday of this week.

Co-chairmen of the subcommittee are H. & A. Underwriters Conference and Bureau of A. & H. Underwriters. The drafting committee consists of Henry Moser, Allstate Insurance Co., Ray Murphy, Assn. of Casualty & Surety Companies, J. R. Berry, National Board of Fire Underwriters, R. L. Hogg, American Life Convention, F. J. Marryott, Liberty Mutual and C. C. Fraizer, of the H. & A. Underwriters Conference.



SIXTY CLUB?

WHAT'S THAT?

It started quite by accident.

Early in 1945 one Franklinites completed a 60 day drive during which he made at least one sale for each calendar day. As a reward, President Becker presented him with a beautiful gold watch . . . and made the same offer to anyone matching his performance.

Since then the club has snowballed, until today it has 70 members, including five women. One man qualified in eighteen days. Another carried his production streak to 100 consecutive days.

Typical member reaction is that of C. V. Strayhorn of North Carolina who said, "When I first came to the Franklin the very idea of 60 sales in 60 calendar days was appalling . . . something to be done only by supermen. But I soon found myself selling these amazing Franklin contracts at the rate of one a day without the slightest intention of doing it."

Selling made easy—that is the secret of the spectacular growth of the Franklin Life, and of the unusual earnings of Franklin representatives.

**Since this advertisement was written, Sixty Club membership has increased from 70 to 82. Four members have carried their production to 100 consecutive days.*



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over \$600,000,000 insurance in force

J. H. Wood Heads New Committee on Managerial Training

The advisory committee on agency management training, composed of representatives of L.I.A.M.A., the general



J. Harry Wood



C. W. Campbell

agents and managers committee of the National Assn. of Life Underwriters, and the American College, at its first meeting, held in Chicago, elected J. Harry Wood, executive vice-president Paul Revere Life, as chairman. Charles

W. Campbell, Newark manager of Prudential, was named co-chairman.

The committee also appointed subcommittees to study such subjects as management job analysis; management training material; management training schools; management clinics; management courses and examinations of the American College; cooperative research projects; management courses in colleges and universities and area conferences.

The subcommittees are expected to report to the committee at its next meeting in about seven weeks.

Representatives of N.A.L.U. at the Chicago meeting praised the work of L.I.A.M.A. in pioneering in the field of managerial training. Further expansion of the schools in agency management was urged by the committee.

The new committee grew out of the mid-year meeting of the general agents and managers committee of N.A.L.U. in Louisville. Great interest was evidenced at that meeting on the subject of management training and cooperative research. As a result a joint committee known as the committee on research projects was appointed. Members are Osborne Bethea, Penn Mutual general agent in New York; Mr. Campbell, and Mr. Wood.

This committee on research projects

made a detailed report to the N.A.L.U. trustees at the annual meeting in St. Louis. One of the things recommended was appointment of an advisory committee on agency management training.

Subsequently, the N.A.L.U. appointed Messrs. Bethea and Campbell, Eugene Hays, New England Mutual general agent in Boston; and Bert A. Hedges, Business Men's Assurance general agent at Wichita.

President Dudley Dowell, immediate past president of L.I.A.M.A. appointed Mr. Wood; William P. Worthington, vice-president Home Life of New York; Olen E. Anderson, vice-president John Hancock; Ward Phelps, director of training Mutual Life; and A. E. Wall, superintendent of agencies Confederation Life.

Dr. Ross Trump has been appointed to represent the American College.

Executives Give Views on Pulling Bond Peg

Plunging into the verbal battle currently going on as to the wisdom of

government bond price - pegging, President Alexander T. Maclean of Massachusetts Mutual states in an article in the December "C. L. U. Journal" that "apart altogether from the rights and wrongs of this situation it is obvious that were these bonds permitted to reach their natural levels, the rate obtainable could be expected to be greater than at present and yields obtainable from corporation bonds would correspondingly increase. The insurance companies would then be able to earn a rate sufficient to meet their reserve requirements and perhaps even to reduce the cost of insurance to policyholders."

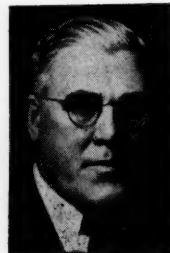
Cites Suggestion Made in War Years

Mr. Maclean expresses the opinion that much of the problem involved in the sale of government bonds in 1948 could have been avoided had the Treasury seen fit to follow a suggestion made during the war years to offer a 3 per cent non-marketable issue having a maturity longer than the 25-year issues which were being sold and the extra interest would have been extremely small in relation to the cost of the war. Mr. Maclean points out that the life companies willingly invested heavily in governments during the war as a patriotic duty, though getting 2½ per cent or less at a time when their contractual obligations called for earnings in the neighborhood of 3 per cent, but now that the shooting part of the war is over "we have an equal duty to support industry and to meet its financial needs." He believes this "can be done without increasing the inflation problem and that it should be done."

Fear of Mass Liquidation

The fear of mass liquidation of government securities in the event the long term bond peg were withdrawn is not altogether justified, according to an article in the same issue by D. R. Annett, manager of the bond department of Equitable Life of Canada.

Mr. Annett thinks that non-bank investors in governments would sell only in limited amounts "for the typical institutional investor cannot afford to remain uninvested for very long" and besides, "such holders are extremely conscious of the consequences of their actions and equally anxious to avoid anything approaching panic conditions in the bond market." He believes that if government bonds were to go to a discount, "large institutional investors would be inclined to become buyers and not sellers."



A. T. Maclean

Redfield Succeeds Payne, Two Others Named by Travelers

Halsted E. Redfield has been appointed secretary, and Robert J. Sullivan and Carroll J. McBride assistant secretaries in the accident department of Travelers. Mr. Redfield succeeds Raymond A. Payne, who died two months ago. He has been with the company since 1919, and was an underwriter since 1921 at the home office, becoming assistant secretary in 1940.

Mr. Sullivan went with Travelers in 1930 and served in Erie and Detroit in the cashier's department. He became an accident underwriter in 1946. Mr. McBride was a claims investigator in the St. Louis, Jacksonville, and New York offices.

Wayne Lewis, former Prudential agent at Neodesha, Kan., has been promoted to assistant district manager at Parsons. George W. Heller, formerly of St. Joseph, Mo., was recently appointed Parson manager, succeeding W. H. Risser.

R. L. L. Says:

I Sell Complete Protection!



If I provide Life protection alone for my policyowners, I've ignored the possibility of loss of income plus unexpected expense which may endanger their life policies in case of accident or sickness.

If I sell only Accident, Health, and Hospitalization, I have neglected to plan with my policyowners for their declining years or adequate survivors' support.

I sell both, to assure complete protection . . . and increase my earnings, too.

Reserve Loan Life
offers **Complete Protection**, with a full line of popular, practical life policies . . . plus a line of liberal Accident, Health, Hospital, Surgical, and Medical plans, for the individual, family, or group.

RESERVE LOAN LIFE
Insurance Company of Texas

Established 1897

1201 Main St.



A Registered Policy Company

Dallas 2, Texas



WHAT BETTER INVESTMENT CAN A LIFE INSURANCE MAN MAKE?

Thank you, Robert V. Winters of Detroit, Michigan, for your friendly letter of November 15 reading: "As I send in this last study unit of the R & R Tax and Business Course, I cannot help telling you how much this study has meant to me in dollars as well as personal satisfaction in being so well organized in all forms of life insurance selling. Recently I made a sale covering a stock purchase agreement resulting in \$35,000 paid premiums exceeding \$2,000—on information I picked up from a study unit. This sale, to say nothing of others, has paid me well for the few dollars I paid for the course. This material is the best I have ever seen, and applies to personal as well as business insurance. Thanks for all the advice and help. It has been a pleasure to work with you."

INSTEAD OF PONDERING THE QUESTION OF HOW YOU CAN DUPLICATE BOB WINTERS' RESULTS, WHY NOT WRITE US TODAY FOR THE INTERESTING DETAILS ABOUT HOW YOU, ALSO, CAN REACH THE PROFITABLE LEVEL OF ADVANCED SELLING?



PAUL SPEICHER
Managing Editor

THE INSURANCE RESEARCH & REVIEW SERVICE
INDIANAPOLIS

Longworth, Neely Head Selectors

N. Murray Longworth, assistant secretary of United Benefit Life, was elected president of the Institute of Home Office Underwriters at the meeting in Washington, D. C. Others elected are William H. Neely, vice-president and secretary of Southern Farm Bureau Life, executive vice-president; James Q. Taylor, underwriting director of Northwestern National Life, vice-president and editor; and John T. Acree, Jr., executive vice-president Lincoln Income Life, secretary-treasurer.

N. M. Longworth

Herman S. Lindy, vice-president Delta Life; T. B. Anderson, Jr., senior underwriter of Connecticut General Life and Ernest F. Brewer, assistant secretary of Republic National Life, were elected to the executive committee. Publicity director is Ray Button, reinsurance director of Alliance Life of Chicago.

Mr. Longworth has been active in the institute since 1943. In 1944 he was chairman of the ordinary case clinic, in 1944-45 was a member of the executive committee and in 1946-47 was secretary-treasurer. This year he was executive vice-president and convention chairman.

He has been with the companion companies since 1935. His first position was in the supply department. From there he transferred to the life underwriting department. He was appointed assistant life underwriter, chief life underwriter and in 1947 assistant secretary.

best, and no matter what he may say about his future income needs, "cut him down." "That you are not trying to load him up with insurance will create confidence in you," he continued.

Lawyer Addresses Council

Pittsburgh Life Insurance & Trust Council at the first fall luncheon meeting Nov. 29 will hear a talk by W. Denning Stewart, member of the legal firm of Rose, Eichenauer, Stewart & Rose, on "Some Mutual Problems of Lawyers, Life Underwriters and Trust Men." He is president of the Allegheny County Bar Assn.

Life Companies' Realty Tops Billion

With the purchase of \$72 million of real estate in the third quarter of this year, total real estate holdings of life insurance companies topped the \$1 billion mark for the first time on September 30, the Institute of Life Insurance reports.

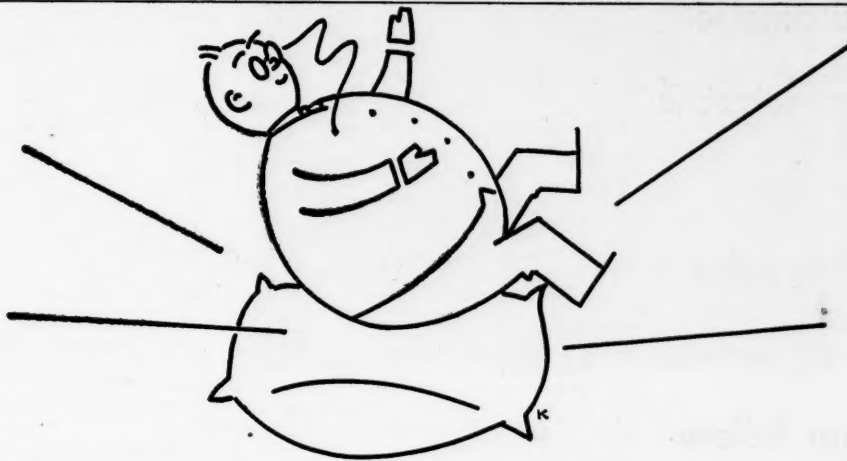
The total of \$1,015,000,000 was nearly 40% greater than in 1946.

Largest single block of the real estate holdings is now the commercial

properties held as an investment, totaling \$345 million. Rental housing, of which \$42 million was acquired in the first nine months, totals \$229 million. Company-used properties account for \$300 million, farms for \$63 million and other properties for \$78 million.

Baggett Houston Supervisor

Occidental Life has appointed A. D. Baggett supervisor at Houston. He entered life insurance with American National's industrial department in 1940. During the war years he was a supervisor for Sheffield Steel Co. He joined Occidental last February.



Some Cushion!

● Our new, complete line of Personal Accident and Health and Hospital policies is proving a real "cushion" for our Field Men. They lead to many profitable sales. Every insurable life insurance policyowner is a prospect including those who have completed their life insurance programs.

This "cushion" offers Hospital plans for both individuals and family groups, the latter having maternity benefits, Accident policies with a broad form insuring clause and Health Insurance which does not require confinement to the home, or a physician in attendance every seven days. All policies can be "tailor made" to fit the prospect's needs or to plug holes in his other Accident and Health protection.

Other features such as competitive rates and benefits, automatically increasing five percent when premiums are paid annually, make these Personal Insurance policies easy to sell. Personal Insurance premiums count in qualifying for our life convention clubs, and level commissions—the same for renewal as for new business—make selling the policies both interesting and unusually profitable.

Why not investigate Bankers National's Personal Insurance policies?

Bankers

Ralph R. Lounsbury, President
W. J. Sieger, V. P. & Supt. of Agencies

NATIONAL LIFE
Insurance Company.. Montclair, N. J.

L I F E • A C C I D E N T • H E A L T H • H O S P I T A L

Use Right Words in Approach, Feder Says

ST. LOUIS—Use of the right words in approach, presentation and close of a life insurance transaction was emphasized by Lloyd H. Feder, Ohio manager of Reliance Life at Cleveland, in his address on "Money for Sale" at a meeting of Life Underwriters Assn. of St. Louis.

Mr. Feder said he disagreed with the contention that life insurance is an intangible product, saying, "To me, nothing is more tangible than life insurance." He pointed out that only life insurance can qualify as "Money for sale for future delivery at a discount on the insurance installment plan." It is the only product sold on the installment plan that the widow doesn't have to keep up the installments after death of the purchaser. Instead, the installments stop and she immediately gets the full value of the product purchased.

Mr. Feder said if life men will think of life insurance in terms of money and approach they will sell a lot more life insurance. He said income is the one thing that everyone is after, and 95 per cent of the people are waiting for some one to tell them what to buy in order to assure their future income, while 5 per cent, the life insurance agents and other salesmen, are the ones to tell the 95 per cent what to buy.

He suggested some words used in life insurance that should be changed. "Policy," he said, is not a nice word, being confused by the public with some lawless activities. Why not use, "contract," he asked. Other substitutions: "deposit" for "premium"; "completed contract" for "paid-up policy"; "cash available" for "cash value"; "full protection for stated numbers of years" for "extended term insurance" and elimination of all reference to the phrase "Carrying life insurance." "Let them own the contract," he added.

Mr. Feder advised against too elaborate presentations for the average prospect. The simplest basic analysis is the

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**We have no
"Automatic
Starters" but if
you have
ambition, a desire
to be of service
to your fellow-
man; and the
will to succeed,
our
AGENCY SCHOOL
will start you
down the path to
a fuller life
and Financial
Independence.**

☆

Guardian Life
Insurance Company
Madison, Wisconsin

Sales Congress Staged by Boston A. & H. Assn.

Boston A. & H. Assn. held its sales congress last week with a large attendance. Speakers included Lt. Gov. Coolidge and Commissioner Harrington of Massachusetts, Mike O'Sullivan, president American Farmers of Phoenix; W. B. Cornett, vice-president Loyal Protective Life; Benjamin B. Priest, general counsel Insurance Federation of Massachusetts; Jack C. O'Connor, general agent Mutual Benefit H. & A., and Harry L. Pope, the "tide water philosopher."

Mr. Cornett disclaimed any anxiety over federal entry into the A. & H. business and said he felt there would be plenty of business for the agents, in spite of what might take place at Washington.

Mr. O'Sullivan argued that too much power was given the insurance commissioners and said that agency qualification laws had been instigated by the "selfish old men" in the business who were afraid they would lose their business to the educated young men coming into the business.

A large delegation from the New Hampshire association attended.

The program was set up in insurance policy form. On the filing face it is marked: "Third Edition. No. 11-16-48" (the date of the congress.) The "short description" of coverage reads: "This sales congress provides for new ideas and a better understanding of the accident and health business to the extent herein provided."

"Renewable each year."

The list of speakers was headed "schedule of benefits" and the "standard provisions" are the items on the menu for the luncheon which opened the congress.

Columbian Nat'l Makes Two Coast Appointments

Columbian National has appointed Harold Winner general agent in Beverly Hills and Robert F. Coffman general agent at San Diego. Mr. Winner was with John Hancock as a group representative in Los Angeles 1941-46. Then he established his own office as a group consultant. Mr. Coffman became general agent for Columbian National at Wichita in 1942, moving to Los Angeles in the same capacity in 1945. Earlier he was with Prudential and Bankers Life of Nebraska.

Discuss Managers' Problems

San Antonio Life Managers Club held a round table discussion of problems which its members face in their agency management. These were the need for recruiting younger men in an agency where the members are in their 50s and 60s, the need for more careful screening, meeting the pressure of home office for increasing the agency force, and more adequate and continued training to meet changing conditions.

President Wm. C. Abbey, Connecticut General Life, said the next meeting would be the time for the election.

Extends Return of Premium Plan

Connecticut Mutual will now consider applications for its contracts with return of premiums to age 15 in all states except Georgia, Idaho, Louisiana, Maryland, Massachusetts, Missouri, Nebraska, Tennessee and Texas. It is expected that some of these excepted states will approve this form of insurance, which previously had been limited to New York state.

The company states that this contract is not so much for general sale as it is to meet the occasional case where there is a desire for higher limits than can be secured under the regular policies giving full protection from date of issue.

New York Life has purchased the Continental Can Co. plant at Portland, Ore., and leased it to the seller on a long term, net rental basis.

Calls Broader SS, Federal Rule No Cause for Worry

KOKOMO—Broadened social security and increased benefits, and "inevitable" federal regulation should be no cause for worry among life insurance agents, the Kokomo Life Underwriters Assn. was told by R. W. Osler, life publications editor of the Rough Notes Co.

"There were dire predictions in 1937 about the effect on the life insurance business of social security," he recalled, "yet since that time, we have doubled the amount of insurance in force."

The proposed 50% increase in benefits will still leave the purchasing power of whatever a recipient gets less than what it was when the present scale was set in 1939, Mr. Osler said. "Yet in 1939, when the value of benefits was greater than they will be when increased by the Democrats, we sold a sizable amount of new business for the times."

Federal regulation, Mr. Osler said, is inevitable, but fears of it are overdone just as fears of federal control of the banking system were when instituted.

"There is as much to be said for federal regulation as against," he declared, citing a long list of recommendations of it by life insurance authorities, beginning with Elizer Wright, "father" of modern life insurance.

J. R. Ray Executive V.-P. of Citizens National Life

Citizens National Life of Indianapolis has elected John R. Ray as executive vice-president and director of agencies. He has had 25 years in life insurance, nine of them with Jefferson National Life, as a general agent and, for the past two years, assistant director of agencies. Citizens National is expanding its agency organization in Indiana and Kentucky.

Women Hear Miss Barber

Miss Mary F. Barber, assistant vice-president of Penn Mutual Life, addressed the Pittsburgh Regional Round Table of Women in Life Insurance on "Prospects—Who, When and How."

Norman P. McCredie has been named manager of the insurance department of the Piper Realty Co., Flint, Mich. He has been assistant manager of the Belle Isle office of Metropolitan Life at Detroit.

L. A. Managers Tell How They Stimulate Business

Life Insurance Managers Assn. of Los Angeles heard five of its members tell what they are doing to stimulate business for the remainder of the year and to prepare for 1949.

Bruce E. Bare, New England Mutual, has urged on agents more serious thinking of what they should do, and consulted them as to the setup of their personal life insurance estate. He has set up an up-to-date program of work, with awards for work accomplished.

Charles E. Cleeton, Occidental Life, is endeavoring to have his men organize their work and their activities; endeavoring to get them to operate on a budget and to have a proper prospect file. He displayed the folder he uses and told how it works. He admitted he had difficulty in getting the older men in his agency to organize themselves and follow the plan, and wanted to know how it could be done.

Prospect File Stressed

Harold W. Dougher, State Mutual Life, said he is concentrating on the prospect file in his office, is endeavoring to have his men learn what to say to prospects, to evaluate their time, their interviews, their sales.

Russell L. Hoghe, Equitable Life of Iowa, said he is teaching the fundamentals, putting up the 50 objections most frequently met and requiring the men to answer them in agency meetings. He also is concentrating on term conversion. He said 20% of his business comes from his new men and he is now putting his house in order for recruiting for 1949.

John W. Yates, Massachusetts Mutual, said new organization should be watched. He gives each agent a basic quota and an anticipated quota. He outlined the methods of rewards for attaining or exceeding these quotas and for other achievements. He is trying to make the men dissatisfied with themselves and what they are doing in order to get them going.

Schedule 1949 Convention

The New York Fraternal Congress will hold its 48th annual convention Feb. 18, 1949, at the Hotel Astor, New York City.

H.O.L.U.A. Meets May 23-25

The annual meeting of the Home Office Life Underwriters Assn. will be held May 23-25, 1949, at Hotel Pennsylvania, New York City.

Top Executive Agency Position Open

in a financially sound and growing middle western company licensed in five states and selling Life, Accident and Health, and Hospitalization Insurance.

The man we are looking for should be under 45, have organizational and sales ability and be especially capable of selecting, managing and training men. Both Home Office and Field experience desirable.

If insurance is your field and you are interested in a position that presents a challenge and excellent possibilities for building a career in the insurance business—this is your opportunity.

We are prepared to pay well at the start to a man having the necessary abilities with later adjustments upward in accordance with accomplishments.

Write giving qualifications, experience, present earnings, references, age, and health. Replies will be held in strict confidence if requested. Address S-47, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Committee Probes Company Size

(CONTINUED FROM PAGE 1)

Under questioning by Gilbert Pederson, counsel of the committee, Mr. Lincoln discussed private placements at length, aided by Harry C. Haggerty, Metropolitan's vice-president and secretary, and Frederic W. Ecker, financial vice-president. There is a limit on Shell Oil's creation of additional debt, Mr. Lincoln said. In case the company got into difficulties, Metropolitan has as many rights—and probably more—as it would have if the security had been offered publicly. Prudential and New York Life participated in the loan. The financial executives would determine what to do as the occasion arose, he said.

Wouldn't one possibility be that Metropolitan would run Shell Oil? On this point Mr. Lincoln was very emphatic. "I should think not," he said, "we have enough troubles of our own."

Mr. Ecker added that for a temporary period the life company might be in the oil business but the assets of this company are so great it would be easy to find a buyer in the oil business.

DOESN'T WANT IT

Actually this would very likely happen before the company got into trouble. Under the law the life company must get rid of its common stock as fast as possible. Anyway, the life company doesn't want it. What if you get it? This has happened, but the company has rid itself of such control shortly.

Among the other large private placements mentioned by Mr. Lincoln were

Gulf Oil's \$84 million loan, on which Metropolitan was the sole lender, although this company has other privately placed issues outstanding, and Union Carbide with \$77 million, with Prudential taking a \$68 million participation.

How do the rights of Metropolitan compare with those of other life companies, Equitable Society's, for example, on the Gulf Oil loan? Mr. Pederson asked.

"Step by step," Mr. Lincoln replied, "if you can keep in step with Parkinson." This drew a laugh from the crowd.

Are your rights paramount or subsidiary? Neither, was the answer. Are your indentures identical with Equitable's? The answer, from Mr. Haggerty, was that in time of trouble Metropolitan's rights would be enforceable equally with Equitable's.

Mr. Lincoln testified it is extremely rare that a privately placed issue is sold. Mr. Haggerty said that though a bond may be quoted on the market, often a market doesn't exist for dealing in large blocks of bonds. There have been cases where a privately placed security was sold, but Metropolitan Life has not done this.

Privately placed loans are no innovation, they have been made many years. The volume of such loans is growing, but Mr. Lincoln regards this as a fine thing—to get money out under these terms. The rate of interest on them now is better. On Shell it was 4% whereas a year or so ago some loans were made at 2½%.

Members of the committee and coun-

(CONTINUED ON PAGE 18)

OBSERVATIONS

Occupational Disease—Benign Variety

Not all forms of occupational disease are painful or unpleasant. A reporter called on the investment manager of a life company the other day and asked if he might discuss investments.

"Sure, you can," he replied. "Sit down and tell me what particular phase of the investment business you would like to discuss. I want to warn you in advance that I like to talk about the subject, any time, any place. To many people these"—he held up a wide sheet of ruled paper on which there were a number of figures—"may be dry statistics, but they fascinate me. My job is a disease with me."

Inflation Adds to Recruiting Woes

Inflation is making recruiting particularly tough for the general agent who does his financing out of his own pocket, as he is operating on capital and income based on business written back when money was worth more and harder to get. Men in other lines who might make desirable recruits have usually been able to get salary increases, since these firms are in a position to pass along the increased salary cost in the form of higher prices for their products. Then too, the general agent's own living expenses and business expenses have gone up. Out of an income of, say, \$1,000 to \$1,500 a month he may feel he can spare \$300 to put into financing new agents. For that figure he used to be able to get two likely-looking young men but today he does well to get one. At the same time, the general agent finds it difficult enough to carve this \$300 a month out of his income, let alone trying to slice out enough to put on two men at today's prices.

Life Income Rule of Thumb

To determine the approximate amount of capital needed at age 65 to retire on an annuity or life income option, take

1½ month's income and add two zeros, according to an item in the United Benefit Life's house organ. For example a man wants to assure himself of an income for life of \$100 a month. Take \$150 and add two zeros, making \$15,000, the approximate amount needed to provide this income. This is not intended to be exact but is only a quick approximation to use in answering a prospect's question.

Hunch Beats Science Sometimes

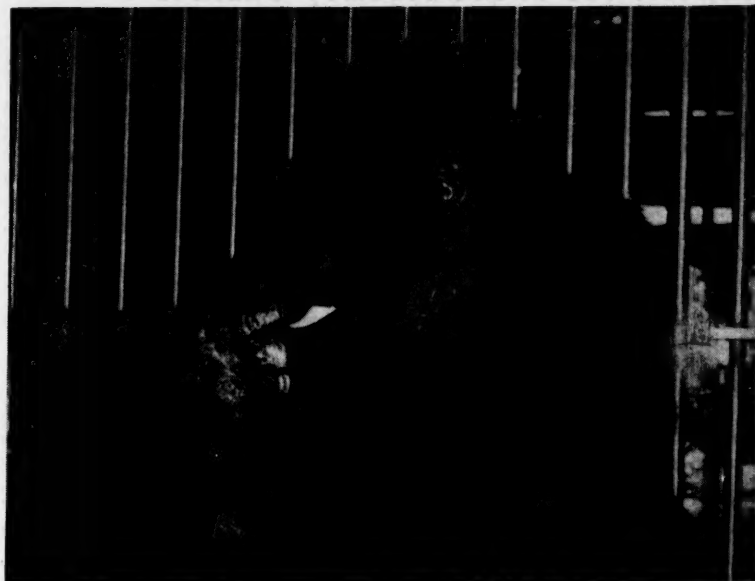
One Chicago life manager for a company which employs the strictest of aptitude tests, has been moaning of late over one of those exceptions to the rule which are bound to pop up under the best systems of agent selection. A year ago a prospective recruit made a mediocre showing on all of the tests. Plus that he had most circumstantial cards stacked against him, he was very young, had had no college and was a stranger in the city. Still there was something unusual and likeable in his personality and the manager would have hired him on trial if his company's standards had permitted.

This turned out to be a case where a hunch would have beaten the tests. This young man signed with a less scientific agency and recently wound up his first year with better than \$700,000 production by the stiffest standards. While the redesigned L.I.A.M.A. aptitude test and other guides may be refined to a considerable degree, there will still be an exasperating area where intuition works best. The catch is spotting it.

Printing Situation Better

Note of cheer for those using printed sales promotion material: The difficulty of getting printing done has eased considerably. Costs are still high but it is possible to get work done more promptly and with less shopping around than it was until fairly recently.

Chicago is a Great City



When you're in Chicago go and see the LINCOLN PARK ZOO

Meet, but don't shake hands, with "Bushman," Man-Mountain Dean of the gorilla world. Stands six feet, two, is 20 years old (can't vote for another year), weighs 550, and he isn't something you'd like to run into in a dark alley! He could tear off your arm (and probably enjoy doing it, too) as easily as you pluck the stem from an apple. But don't try to sign him up for your football team. He's considered the world's greatest member of the monkey family in captivity and he's practically priceless.

Bushman is only one of 2,600 animal "performers" seen last year by 2,000,000 visitors to this fascinating spot. Enjoy yourself here any day in the year from 9 A.M. to 5 P.M.—and every day is Funday at the zoo!

Come and see us too!

Our Company is an old-line legal reserve life insurance company, specializing in Accident and Health contracts and serving more than a million policyholders. Maybe we can



add something to our visitors' knowledge of this business; maybe they can do the same for us. Anyway, you can find us on the job from 8:30 to 5, Monday through Friday, and it's always open house here.

BANKERS LIFE & CASUALTY CO.

John D. MacArthur, President
Kenneth at Lawrence Avenue, Chicago 30, Illinois
"Chicago's First Insurance Company"—Established 1879

EDITORIAL COMMENT

Importance of the Agency Cashier

The agency cashier's role is of vital, though frequently insufficiently recognized importance to everyone in the agency and to that portion of the public dealing with the agency. In his book published some months ago, "An Answer for Everything," Hubbard Hoover, himself a former practicing life insurance agent, pays high tribute to what an intelligent, friendly and helpful cashier can do in holding an agency together.

Appreciation of the cashier's work is being enhanced, and deservedly so by the activities of the Life Insurance Agency Cashiers Assn. of the United States and Canada. This organization, recognizing that deeds are the best basis of prestige, has based its program on encouraging its local units to engage in activities that will be worth-while in giving all members the benefit of the most advanced techniques and at the same time give the individual cashiers a better feeling of the valuable nature of the work they are doing.

Opportunities given cashiers to hold office in the local associations have helped to bring out qualities of leadership, initiative and a better sense of responsibility and work organization. All this is bound to make them better cashiers. Regular monthly meetings are held in which leading speakers from home offices and the field present such subjects as aids to salesmen, conservation, relations with salesmen and policyholders, personnel hiring and training, and many other allied subjects. Courses in public relations have been conducted. This month the Golden Gate College in San Francisco is starting a class sponsored by the San Francisco Cashiers Assn. for the Life Office Management Assn. examinations. This will be fol-

lowed by another class in January.

The city in which the convention is held is determined by the highest number of points scored through various activities of a local association during the association year, which runs from July to July. The score also determines who the president will be. This year the president is Miss Carmen A. Gallia, office manager of the John F. Fixa agency of Manhattan Life in San Francisco. The winning association has the privilege of electing the other national officers, thereby simplifying and localizing the handling of national matters.

The national association counsels the local associations, checks on their activities, tabulates their points to determine the winner of the trophy award and the privilege of being national headquarters, edits the publication, the "Cashier," sends out bulletins, collects dues, and promotes the organization of local units, promotes educational projects, office suggestions and ideas for growth and progress; stimulates good fellowship, promotes the highest standard of ethical business conduct. The national body this year plans to adopt a national insignia which will be used as an emblem and pin for local and national associations.

The monthly score sheet that is used is very complete and detailed points being given for increase in membership, reinstatement, meeting attendance, publicity, publications, meeting reports, L.O.M.A. or C.L.U. classes, constructive suggestions and efforts in organizing new groups, as well as under several other headings.

It would seem that an organization that is promoting such worthwhile activities should have the whole-hearted backing of the entire business.

The Influence of Competition

The effect of competition upon decisions made by insurance companies is perhaps not given its full weight in discussion of changes by supervisory authorities. A good case in point is the last hearing of the life committee of the National Assn. of Insurance Commissioners on the model group bill and the standard provisions of that legislation. As the hearing went on, the competition of self-insured plans was mentioned but toward the end, R. A. Hohaus, actuary of Metropolitan Life, arose and vigorously emphasized this factor.

He had been listening all day, he said, for someone to bring out the real problem in the group field. This was not an extension of the conversion privilege, it was not unusual types of groups—it was the self-insured method of establishing employee benefit plans. This competition increases as the pressure of rising costs increases. It is becoming stiffer. Salesmen are running into it more frequently. Mr. Hohaus recalled how the companies had to fight for group business in the 1920s against self-insured plans, and it was a fight that

could have been lost.

How much Mr. Hohaus' remarks impressed the committee of commissioners we don't know. His presentation was impressive. The interesting point is that he felt it necessary to give competition proper weight in the interchange with commissioners. Otherwise it might well have remained just one among many points brought out in the memoranda, reports, and arguments.

Competition is not always accorded the importance it is entitled to and yet it should be pounded home if the commissioners are to get a realistic sense of the forces that govern the business. The business is somewhat inclined to take it for granted that the commissioners understand. Perhaps they do, but they aren't dealing with it every day as the company personnel and management

are doing. They are not apt to view it closely for the powerful, daily influence that it exerts. If this weren't so, if companies didn't respond to this force, there wouldn't be any discussion of what they do. They would not be transacting the business.

The companies should not fail to emphasize it, and should not be afraid to do so. Not to do so, leaves the floor to advocates of government encouraged schemes, such as self-insurance and unemployment compensation disability. The companies—the entire industry—is fighting to maintain a place for themselves in these fields.

In many cases if companies explain who competitors are and what they are doing or can be expected to do, half the job of getting a general understanding would be done.

PERSONAL SIDE OF THE BUSINESS

Ril T. Baker, of Dayton, O., who has been with Union Central Life 50 years, was tendered a dinner by his associates at Dayton. He joined his father in the company's agency at Greenville in 1898 and in 1910 was named manager at Dayton, later becoming general agent. About 60 attended the dinner.

William H. Clouse, manager of the Staten Island district office of The Prudential, celebrated his thirtieth anniversary with that company.

J. D. Serrill, Minneapolis manager of American Mutual Life, was taken ill while on a visit to his old home at Hicksville, O., and is hospitalized there.

C. Petrus Peterson, general counsel of Bankers Life of Nebraska, was chosen as Nebraska director of National Reclamation Assn. at its annual meeting. He is a former president of Nebraska Reclamation Assn.

For R. A. Brown, Pacific Mutual, Los Angeles, the presentation of the C.L.U. key to his son R. A. Brown, Jr., was of very special interest because in 1929, when members of the National Assn. of Life Underwriters were seeking subscriptions to endow the American College, Mr. Brown pledged his support to the movement in the name of his son, who was then a very small boy. Pres-

entation of the key to R. A. Brown, Jr., was made by W. W. Gillespie, manager of agencies, at a special meeting of the Krauel agency with which both father and son are connected.

Commissioner Armand Harris of Minnesota has made the cartoon strip page of the Minneapolis "Tribune." He is featured in "Smorgy," a local strip caricaturing prominent men of Minnesota. The strip depicts him on a deer hunting trip.

Francis W. Cole, chairman of Travelers, has been named a director of Hartford Hospital. James B. Slimmon, vice-president of Aetna Life, has been re-elected vice-president of the hospital.

H. A. Finley, manager of Metropolitan Life's management research coordination division, will be the speaker at the round table on work simplification sponsored by New York University college of engineering.

David R. Sutton, general manager of Wilson Life of Lake City, Fla., is a patient at the Foundation Hospital, New Orleans, as a result of a serious illness but is steadily improving and will soon be back on the job.

Joseph V. Buck, manager of Bankers Life of Iowa at Detroit, has been elected president of the Detroit Naval Officers Assn. He was a marine corps lieutenant during the war.

L.I.A.M.A. Chief

George M. Dunbar, the L.I.A.M.A.

president elect is a transplanted Scot. He was born in Aberdeen and brought to Canada by his father, a famous highland piper. Between 1934 and 1945 he rose through agency ranks to his present position of superintendent of agencies of Mutual Life of Canada.



DEATHS

Everett N. Slade, 70, for 52 years a New England Mutual representative at Fall River, Mass., died from a heart attack. He headed New England Mutual's oldest district agency and was one of the company's oldest field men in years of service. He was a director of three banks.

Dr. John M. Spaulding, 67, medical adviser to Unity Mutual Life & Accident, Los Angeles, died at his home there. He had been associated with Unity Mutual since organization in 1930, and also was medical examiner for some 27 other life companies. He was

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a native of Kentucky, graduate of Uni-
versity of Louisiana and had practiced
medicine in Kentucky and Utah before
going to California.

Margaret M. Spence, 51, wife of Eber
Spence, vice-president and director of
agencies of American United Life, died
in Wesley Memorial hospital, Chicago,
after an illness of many months.

A. P. Osborn, 78, co-general agent of
Lincoln National Life at Kansas City
died. He had been in the life insurance
business 55 years and had been a part-
ner of E. G. Mercer since 1933.

Virgil E. Einig, 43, manager of the
residence loan department of Northwest-
ern Mutual Life at St. Louis, died of a
heart attack at San Antonio. Burial was
at St. Louis.

Vincent Coffin Addresses Cincinnati Life Managers

CINCINNATI—Life people can't pat
themselves on the back and assume that
the public believes they are honest, V.
B. Coffin, vice-president of Connecticut
Mutual, told the Cincinnati Associated
Life General Agents & Managers, in
discussing the problem of improving
public relations. While a survey made
by the Institute of Life Insurance
showed that life insurance stood at the
top of the industries studied in public
favor, this does not mean that policy-
holders would stand up and fight for it
if it were attacked, he said.

The real work of the institute has
been its endeavor to sell the idea to
newspapers and writers that it can be
relied on for unbiased and unprejudiced
news of the business. Hundreds of edi-
tors now check with the institute on
editorial factual matter about the busi-
ness, he said.

On Dec. 6 **Palmetto State Life** will
introduce new industrial rates and
values. Although South Carolina has
not yet passed the Guertin legislation,
terms of the contracts are such that
they would qualify in states which have
adopted that legislation.

Horton Beaumont Manager

Robert M. Horton, who for the past
year has been assistant district manager
in the Fort Worth office of Pruden-
tial, has been appointed manager at
Beaumont, Tex. He replaces James
E. Anderson, whose transfer to St.
Louis was announced recently.

Mr. Horton joined Prudential in 1932
at Springfield, Mo., as an agent. Three
years later he became an assistant man-
ager.

K. C. Men Hear Jackson

Will W. Jackson, vice-president of
American Hospital & Life, spoke on
"Selling as an Art and as a Service" at
the Nov. 12 meeting of Kansas City
Assn. of A. & H. Underwriters.

Palmer Speaks on Training

H. Bruce Palmer, vice president in
charge of agencies for Mutual Benefit
Life, spoke on "Modern Trends in
Training" at Albany General Agents
and Managers Assn.

Talks on Heart Diseases

Dr. Walter C. Cole, assistant medical
director of Occidental Life, addressed
Life Supervisors Assn. of Los Angeles
on heart diseases.

Agency Heads Guests

Buffalo Life Agency Cashiers Assn.
was host to agency heads at a dinner
meeting. Thomas A. Boris, Buffalo
public relations expert, spoke.

Dwight L. Clarke, who is an authority
on the history of early California and
president of Occidental Life, spoke at a
meeting of Los Angeles Zamo-
rano Club on "The Centennial of the
California Gold Rush".

Phil C. Stimmel, who has been Den-
ver general agent for Lutheran Brother-
hood, has been transferred to San An-
tonio.

Austin (Tex.) Life Agency Cashiers
Assn. heard Reed Hanford, American
Service Bureau, tell about the workings
of the inspection business.

LIFE INSURANCE BY A LANDSLIDE...

The votes are all in,
...and it's Life Insur-
ance by a landslide!

More than 70,000,000
Americans have voted
Life Insurance the
plan they want for
the security of their
family, . . . and every
year the majority is
growing!

The
**NATIONAL LIFE
AND ACCIDENT
Insurance Company, Inc.**



1949 Dividend Action Is Tabulated

Name of Company	Dividend Yr. Begins	Dividend	Funds Left With Company (Guaranteed Rate is paid if higher than that shown)		
			Non-with- drawable	With- drawable	Accum. Dividends
Aetna Life	Jan. 1	11% Inc.	2.75	2.75	2.75
Amer. Mut. Life	Jan. 1	Same as 1948	2.85	Guaranteed Rate	3.0
Banker, Ja.	Jan. 1	"	2.5	2.0	2.0
Boston Mutual	Jan. 1	"	3.0	3.0	3.0
Columbus Mut.	Jan. 1	"	3.0	3.0	3.0
Continental Am.	Jan. 1	"	2.0	2.5	2.5
Country Life	Jan. 1	"	3.0	2.5	3.5
Fidelity Union	Jan. 1	"	3.0(a)	3.0(a)	3.0
Girard Life	Jan. 1	"	3.0	2.0	3.0
Great National	Jan. 1	"	3.25	3.25	3.25
Great Southern	Jan. 1	"	Guaranteed Rate	3.0	3.0
Great-West	Jan. 1	"	Guaranteed Rate(c)	2.5	2.5
Guarantee Mut.	Jan. 1	(b)	2.5	2.0	3.0
Guardian, N. Y.	Jan. 1	(d)	2.5	2.5	3.0
Independent, Md.	Jan. 1	Same as 1948	2.5	2.5	3.0
Iowa Life	Jan. 25	"	2.5	2.5	3.5
Lincoln Liberty	Jan. 1	"	3.5	2.5	2.5
Modern Life	Jan. 1	"	3.0	3.0	2.5
Mutual Benefit	Jan. 1	"	2.5	2.5	2.5
Mutual Service	Jan. 1	"	Guaranteed Rate	3.0	3.0
Natl. Guardian	Jan. 1	"	2.75	2.75	2.75
National, Wt.	Jan. 1	Decrease	2.5	2.5	3.0
Northwestern Mut.	Jan. 1	Same as 1948	3.0	3.0	3.0
Pacific Mutual	Jan. 1	"	3.0	3.0	3.0
Pan-American	Jan. 1	"	2.5	2.5	2.5
Phoenix Mutual	Jan. 1	"	3.5(g)	3.5(g)	3.5
Postal Life, N. Y.	Jan. 1	"	3.0	3.0	3.0
Pres. Ministers	Jan. 1	"	3.0	2.5	3.25
Provident Mut.	Jan. 1	Ap. 5% dec.	3.0 & 3.5	2.5 & 3.5	3.5
Shenandoah	Jan. 1	Same as 1948	2.0	2.0	3.0
Standard, Ind.	Jan. 1	"	3.0	3.0	3.0
State Mut., Mass.	Jan. 1	Ap. 10% dec.	2.5	2.5	3.0
Sun. Maryland	Jan. 1	Same as 1948	2.5	2.5	3.0
Sunset Life	Jan. 1	"	2.5(f)	2.5(f)	3.5
Union Central	Jan. 1	"	2.5 & 3.5	2.5 & 3.5	3.5
Union Mut., Me.	Jan. 1	"	2.5	2.5	3.0
Victory Mutual	Jan. 1	"	2.25 & 2.5	2.25 & 2.5	2.25 & 2.5
Western States	Jan. 1	"	2.25 & 2.5	2.25 & 2.5	2.25 & 2.5
Wisconsin Life	Jan. 1	"	2.25 & 2.5	2.25 & 2.5	2.25 & 2.5
World Ins.	Jan. 1	"	2.25 & 2.5	2.25 & 2.5	2.25 & 2.5

13% business slight increase; 3 1/4% business slight decrease; 2 1/2% business same as 1948.
(a) 2 1/2% on interest option.
(b) Same scale as 1948 on policies issued at rate in effect prior to Jan. 1, 1948.
(c) CSO policy dividends increased at ages 40 and over. Preferred Risk policies same as illustrative scale of October, 1948.
(d) Except if policy proceeds left under optional settlement without right of withdrawal under an option which guarantees 2% interest as follows: issues from Mar. 1, 1939, to Mar. 1, 1945, 3%; issues from Mar. 1, 1945, 2 1/4%; P. T. series of policies, 2 1/2%.
(e) Increased on Sept. 1, 1948; to be continued in 1949.
(f) 3.0% for Amer. Exp. policies; 2.85% on CSO policies.
(g) 3.5% on policies issued before Jan. 1, 1948.
(h) Interest Income option, 4%.

ACCIDENT AND HEALTH

Work Out New Voluntary Medical Plan in Conn.

HARTFORD—Despite the failure of previous plans to win approval of a majority of Connecticut doctors or of the insurance companies, state-wide pre-paid medical service to persons in lower income brackets may become a reality here next year.

A new plan, which many medical men believe will be acceptable to all concerned, has been worked out by Connecticut Medical Society and a new non-profit organization, Connecticut Medical Service. It will be presented at the society's Dec. 9 meeting at New Haven.

The plan would be administered through the Blue Cross and would pro-

vide full payments for surgical operations, treatment of fractures and dislocations and maternity deliveries. Membership would be open, without physical examination or age limit, to all Blue Cross members in the following income groups:

Individual, unmarried member, income less than \$2,500 annually; subscribing member with one family member, income less than \$3,000; and subscribing member who has enrolled two or more family members, income less than \$3,500.

Present plans call for subscription fees of 75 cents a month for the individual subscriber; \$1.50 for the subscriber and one dependent; and \$2.25 for subscriber and family.

Blue Cross members whose incomes are above the income limits assigned

could join the plan and receive the flat payment, to be applied against a physician's total fees. Participating physicians and surgeons would agree to accept the fees provided as full payment for services performed for those within the lower income brackets.

Burned After Suicide Fails, Wins on Accident Cover

DES MOINES—The Iowa supreme court ruled that a woman who was burned in an explosion of gas with which she had tried to asphyxiate herself was entitled to recover on two accident insurance policies from Continental Casualty for \$1,112.49.

Mrs. Doris Comfort of Des Moines who brought the suit was severely burned on April 27, 1947, when she attempted to light the pilot light on her gas stove and an explosion resulted. Evidence at the original trial showed she had first intended to commit suicide and had turned on the gas burners. Later she awakened and attempted to light the gas burners.

The jury found that Mrs. Comfort did not intend to kill herself when she tried to light the burners. The event which happened was without the concurrence of her will and was an effect which she did not intend to produce, the jury held.

To Test Alcoholism in L. A. as Disease or Habit

LOS ANGELES—Whether chronic alcoholism is a disease or merely a bad habit is the problem a jury in Superior Judge Moroney's court must decide in suit brought by R. E. Hill, guardian of the estate of G. C. Rubsch, 58 auto works owner, to collect \$350 per month disability benefits under terms of a Pacific Mutual Life policy.

Rubsch, now in in Camarillo State hospital, classed as a chronic alcoholic suffering from mental deterioration. Hill asks that alcoholism be adjudged a "sickness" under meaning of that word as used in the policies bought in 1926.

The company holds that under policy terms, which provide benefits for "continuous necessary" disability, Rubsch's illness should not be classed as "necessary", and therefore it is contesting the suit.

Heart Diseases Reviewed

A. & H. Underwriters Assn. of Los Angeles heard Dr. John C. Ruddock discuss diseases of the heart. He said heart disease is intangible, and is as likely to occur with participants in rodeos or boxing matches as in the shoe clerk who is not exercising actively. The stress and strain of occupations differ and it is a question as to whether a particular effort causes coronary thrombosis. Many of today's deaths, he held, are caused by degenerative diseases, hypertension, and degeneration of the circulatory system.

Addresses A. & I. Students

"Insurance is the best property that can be bought with the American dollar," Aaron Day, assistant secretary of North Carolina Mutual Life, told the Nashville chapter of Future Leaders of America at Agricultural & Industrial Institute, Nashville.

Retention Limits Increased

Continental American has increased retention limits. At the main insuring ages 18-50 it will retain a maximum of \$100,000 insurance for itself, but present reinsurance facilities of \$150,000 permit issuance of a maximum of \$250,000. At younger and older ages where the retention limit is less than \$100,000, reinsurance limits also will be lower.

Another liberalization is the granting to an insured under an income endowment policy the right to apply for a "privilege to change to optional annuity" rider so that on maturity date he may elect to receive a larger monthly income beginning at a later date by continuing to pay a revised premium.

COMPANIES

Un. Central Moves in Court Against 10 Stockholders

CINCINNATI—Union Central Life has filed suit in common pleas court for authorization to pay for and cancel 39,038 out of 125,000 shares of its \$2,500,000 capital stock held by stockholders who have objected to carrying out the mutualization plan adopted in 1941, but prevented from being consummated by the war. The company seeks to acquire the 10 shareholders' stock at \$25 a share.

Defendants and the number of shares held by each are: J. W. Pattison, 8,315; Mr. Pattison's sisters, Misses Ernestine and Aletheia Pattison, 7,429 and 8,232, respectively; Mrs. Anna Pattison, their mother, 6,161; Mrs. Marie Pattison, Mr. Pattison's wife, 2,481; W. T. Stewart, Palm Beach, Fla., 5,775; R. S. Alcorn, Jr., and E. G. Alcorn, III, Dallas, 50 each; Janet Alcorn Wagner, Cincinnati, 50, and Edith M. Alcorn, Cincinnati, 495.

Miss Ernestine Pattison filed suit earlier this year to prevent the mutualization, but the court sustained a demurrer filed by the company.

Great-West Dedicates Plaque to War Dead

A bronze memorial plaque dedicated to members of Great-West Life who gave their lives in the last war was unveiled at a brief ceremony in the head office at Winnipeg on Remembrance Day by H. W. Manning, vice-president and managing director. The plaque bears

WANT ADS

Actuary-Executive

Actuary-executive wanted for consulting actuarial firm specializing in pension plans and other forms of employee benefits. Good future. Write giving background and starting salary desired. All inquiries confidential. Address S-48, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED: ASSISTANT MANAGER

Chicago Agency of prominent life insurance company seeks experienced underwriter with proven record to become Assistant Manager. Have you had previous supervisory experience? Age 30-40 is desired, also college graduate preferably. Furnish complete details with photograph. Starting salary \$3,500 per year plus commissions. Second year income under formula can be \$5,000 up to \$9,000 or more. Excellent advancement opportunities with Lifetime Pension. Address S-44, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

SALES MANAGER WANTED

Well-established Chicago insurance company, now specializing in health, accident, and hospital policies, wants proven and experienced man to establish life agency in Illinois, and Missouri. Have fairly good nucleus of life business. Please state past experience, salary and commission arrangements expected, and general qualifications. Unlimited opportunity will be offered to experienced go-getter. Replies held in strict confidence. Our employees know of this ad. Address S-49, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Licensed, Bonded Real Estate Company desires connection with life insurance company for placing loans with 6% interest on all types of real estate in Tucson, Arizona. Write Northwest Realty Co., 2561 Grant Road, Tucson, Arizona.

QUALITY FIRST \$200,000,000 SECOND

The Indianapolis Life Insurance Company has recently passed the \$200,000,000 mark of insurance in force.

The primary emphasis of the Company, through its more than forty-two years of service, has been on QUALITY.

The Company's representatives are quality life underwriters, carefully selected and thoroughly trained to give quality service. Assets are composed of investments selected for quality and safety. Surplus is "more than ample."

Thus, QUALITY is the key word and is MOST IMPORTANT. Growth from \$17,202,655.63 in assets in 1935 to over \$54,000,000 in 1948, and of insurance in force from \$95,756,258 to over \$200,000,000 is gratifying. Size will continue to be second to quality in importance.

Fieldmen and policyholders are enthusiastic about this program.

Indianapolis Life Insurance Company

Indianapolis 7, Indiana

An Old Line, Legal Reserve, Mutual Company

Agency opportunities in Evansville, Indiana; Toledo, Ohio; Springfield, Illinois; Amarillo, Texas; Davenport, Iowa; Rochester, Minnesota, and other choice cities.

A. H. Kahler
Vice-President and
Supt. of Agencies

Edward B. Raub
President

EASTERN LIFE INSURANCE COMPANY

OF NEW YORK

LOUIS LIPSKY, President

JACOB ISH-KISHOR, Vice-President and Secretary

Progressive - Sound - Friendly

386 Fourth Avenue, New York City

LExington 2-5950

MAXIMUM FIRST YEAR COMMISSIONS
GUARANTEED RENEWAL COMMISSIONS
STANDARD RISK AND SUB-STANDARD POLICIES
PREFERRED RISK AND FAMILY INCOME POLICIES
RENEWABLE TERM POLICIES
JUVENILE POLICIES ISSUED

General Agencies Available in New York, New Jersey, Delaware and Washington, D. C.
For further information write to HARRY YARIN, Vice-President and Superintendent of Agencies

12 names. Rev. W. Gerald Burch, rector of St. Luke's church, Winnipeg, conducted the service. Miss Agnes Lohr, president Great-West Life Ladies Club, laid a wreath on the 1914-1918 war memorial and W. S. M. Lang, president Great-West Life Men's Club, a wreath on the 1939-1945 memorial.

Karsh Photos to Feature N. W. Mutual's New "Ads"

Art-work for the new series of Northwestern Mutual national magazine advertisements will feature a Yousuf Karsh photograph of the prominent business man being quoted in the copy. Mr. Karsh, a Canadian photographer, has gained world-wide recognition for his skill in photographing presidents, kings, generals, scientists, writers and business leaders and is the author as well as photographer of the book, "Faces of Destiny." The J. Walter Thompson agency is handling the account.

The theme of the advertisements will be the personal insurance buying experiences of prominent business men. The first will be Harry A. Bullis, chairman of General Mills. Others soon to be featured will include Harold S. Vance, chairman of the Studebaker Corp. and Carl J. Sharp, president of Acme Steel.

U. S. Life Passes Quarter Billion Mark: Ups Capital

Total insurance in force of United States Life has passed the \$250 million mark. Paid A. & H. premiums exceed \$1 million for the year to date. The stockholders have approved an increase in capital from \$500,000 to \$1 million, the number of authorized shares being raised from 125,000 to 250,000. Par value of the new capital stock remains at \$4 per share and stockholders of record Nov. 1, 1948, may subscribe for the new issue proportionately on the basis of number of shares held at that date.

Pioneer American of Houston, Texas, has been admitted to membership in the Texas Assn. of Life Insurance Executives. Weldon J. Allen, executive vice-president, will represent the company.

N. E. Mutual Will Keep Present Dividend Scale

New England Mutual will continue its present scale on all forms of policies, settlement options, and dividends left on deposit, except that dividends on certain term policies will be increased. Directors set aside \$13,800,000 for the 1949 payments.

Hear Talk on Underwriting

OSHKOSH, WIS.—Problems of life underwriting were discussed at a dinner meeting of Fox River Valley Insurance Club by Dr. E. B. Williams, medical director of Wisconsin National Life. He traced the process from the agent in the field on through to the home office underwriting department. He said family histories and occupations should be closely examined by the agent. The average person underemphasizes or conceals his symptoms from the insurance medical examiner, he declared.

Passes 1000-Weeks Mark

A. L. Faulconer, agent of Atlantic Life in Lynchburg, Va., this month became the first member of the field organization to reach and pass the 1,000 week mark in the App-A-Week Club. He also is the only member who retains the designation of charter member.

To Vote on Dues Increase

The board of the New York City Life Underwriters Assn. has proposed a 25% increase in membership dues. The proposal is to be voted on at a special meeting of the membership Dec. 2.

CHANGES

Smith N. E. Mutual Indianapolis Mgr.

New England Mutual has appointed Hastings A. Smith as agency manager at Indianapolis. He will replace Norman R. Miller, head of the Indiana agency since 1944, who has resigned to go into the manufacturing business with his brother.

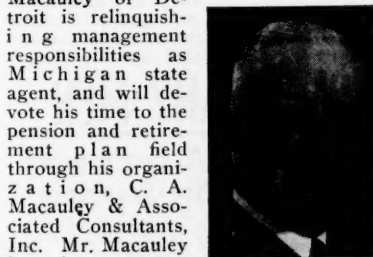
Mr. Smith entered the life insurance business as an agent in Louisville after he was graduated from DePauw University in 1932. Following release

from the navy in 1945 as a lieutenant commander, he became district agent at Lexington, Ky. He was president of the Lexington Life Underwriters Assn. and a director of Kiwanis and Junior Chamber of Commerce.

Hancock Makes Mich., Coast Shifts

After 50 years of continuous representation of John Hancock, Charles A. Macauley of Detroit is relinquishing management responsibilities as Michigan state agent, and will devote his time to the pension and retirement plan field through his organization, C. A. Macauley & Associates, Inc.

Mr. Macauley has been state agent at Detroit for 35 years. His 50th anniversary with the company was celebrated at two luncheons and a dinner last month. Succeeding Mr. Macauley as general agent at Detroit Dec. 1 will be Lloyd J. Lynch, for the past nine years general agent at San Francisco for John Hancock. He will be succeeded at San Francisco by Raymond Deston who has been with John Hancock as supervisor of field sales in the home office since



C. A. Macauley



"I wish you'd learn to trust me a little more, Pet... these night calls are a part of the insurance business!"

Bankerslifemen Constantly Prove They Are Worthy of Trust

Day after day Bankerslifemen prove to their clients and beneficiaries that they are worthy of the trust placed in them... but that is not to say that they have any easier time establishing it with their wives than the rest of us.

Typical Bankerslifemen are so thoroughly trained and experienced that they know their business from the ground up... know it so well that they can and do earn the trust of those they serve. Most of them possess treasured letters testifying to the satisfaction that beneficiaries have found in the insurance arrangements suggested by Bankerslifemen. Such letters come only to those who deserve them and they provide heart-warming extra compensation for Bankerslifemen.

Yes, Bankerslifemen know their business and are the kind of people who warrant trust. That's why you find them the sort of life underwriters you like to know as friends, fellow workers or competitors.

BANKERS Life COMPANY
DES MOINES

1923 — SILVER ANNIVERSARY — 1948

North American Reassurance Company

J. Howard Eden, President

110 East 42nd Street

New York 17, N. Y.

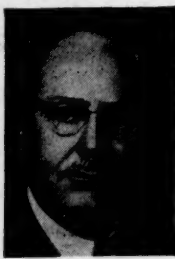
LIFE REINSURANCE EXCLUSIVELY

1940, except for three years as a naval lieutenant.

Mr. Lynch has spent all of his business life in the life insurance business and was general agent at Minneapolis



Raymond Deston



L. J. Lynch

for John Hancock before going to California. He is an alumnus of Carnegie Institute of Technology and a veteran of the first world war.

Mr. Deston, a graduate of Bowdoin College went into life insurance in the Boston agency founded by Paul F. Clark, who is now president and chairman of John Hancock.

Prudential Ups Schuler

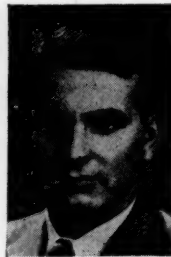
Fred A. Schuler, for 12 years assistant district manager in Warren, Pa., for Prudential, has been appointed manager at Altoona. Mr. Schuler was grad-

uated from Edinboro State Teachers college in 1926 and attended Pennsylvania State college. He joined Prudential at Warren in 1928.

Lester A. Nylander has been named district manager of Prudential in Minneapolis. He has been in charge at St. Cloud, Minn.

Lindenmeyer Ind. Group Chief for Mass. Mutual

Massachusetts Mutual has appointed Robert L. Lindenmeyer as group supervisor for Indiana, with offices in Indianapolis. He entered the group department in October, 1947, and after home office training was assigned to the Chicago group office as a supervisor. He was formerly an agent for Connecticut General Life. A graduate of Springfield (Mass.) College, he was a wartime naval officer. He is a member of the naval reserve, the Western Massachusetts Board of Approved Football Officials, and the district board of the Boy Scouts.



R. L. Lindenmeyer

Occidental Makes Changes in Colorado, Detroit

Frank S. Rose has been appointed general agent for Occidental Life at Grand Junction, Col. He was formerly an Occidental agent in Denver. An alumnus of the University of Colorado, he served as a bomber pilot in the African and Italian campaigns. He entered life insurance with World and before joining Occidental was World's district manager for western Colorado.

At Detroit, Occidental has appointed Vincent L. Mandia brokerage manager and Dan S. Holefca agency supervisor. Grant M. Hudson, Jr., manager, has resigned to enter Occidental's group department.

Mr. Holefca joined Occidental as brokerage manager in 1947 after having been an agent of Ohio National. He served in the coast guard during the war. Mr. Mandia has had extensive experience with American Mutual Liability and Aetna Life as sales representative in Detroit.

Named Associate Managers

Western & Southern has promoted C. L. Lorber, an agent since 1938, to associate manager at Springfield, Ill., and John Q. Houston, an agent at Springfield since 1946, to associate manager at Bloomington, Ill.

Litsey Assists Dean

Harold J. Litsey has been named assistant general agent of Bankers of Nebraska at Wichita under Cecil K. Dean, general agent. The agency serves southwest Kansas and northern Oklahoma.

COMPANY MEN

Teachers I. & A. Designates Greenough Vice-President

Teachers Insurance & Annuity Assn. has elected William C. Greenough vice-president. Mr. Greenough has been assistant to the president since 1941. Albert L. Trowbridge has been named associate mortgage officer. Elwood B. Waters, mortgage supervisor, and Thomas C. Edwards, Jr., counselor, are now assistant secretaries.

Mr. Greenough served in the navy from 1943 to 1945. He graduated from Indiana in 1935 and received his A. M. from Harvard in 1938. He was assistant to the president of Indiana university and personnel director. An associate of Life Office Management Assn., he was a Phi Beta Kappa.

Mr. Trowbridge was with the mortgage loan division of Travelers in 1946. He served in the navy from 1942 to 1945. He graduated from Missouri.

Mr. Waters was with the Mortbon Corp. before joining the association in 1942. Mr. Edwards was with Northwestern Mutual in New York prior to 1947. He was in the army from 1942 to 1946. He is a graduate of North Carolina and a Phi Beta Kappa.

Mabel Newcomer, professor of economics at Vassar; Earle S. Thompson, president of The West Penn Electric

Executive V.P.

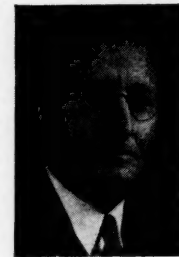
E. J. Moorhead, former actuary of L. I. A. M. A., who recently joined United States Life as a vice-president, has been elected executive vice-president. He is the author of several publications on life insurance.



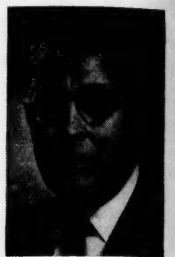
Co., and John D. Boyle, vice-president of W. T. Grant Co., were elected to the board of trustees.

Cutlines Transposed

In the announcement of the advancement of A. M. Collens to chairman of Phoenix Mutual Life and B. L. Holland



B. L. Holland



A. M. Collens

to president, which was published in the Nov. 12 issue of THE NATIONAL UNDERWRITER, the identifications for the cuts were transposed. The pictures are shown herewith, correctly identified.

Hicks Leaves Home Office

Paul De F. Hicks, Equitable Society's manager of eastern group department field divisions, has resigned to join the H. H. Wilson & Co. agency in New York. He joined Equitable in Pittsburgh in 1926 on graduating from Princeton University. His group department friends honored him at a party at Hotel Pennsylvania.

Dr. Peck with SBLI Fund

Dr. John Peck has been appointed as assistant medical director of the New York Savings Banks Life Insurance Fund. Dr. Peck is a graduate of Cornell Medical College and served his internship at Brooklyn Hospital. He has had considerable life insurance experience with Aetna, Prudential and other large life companies, and has acted as medical referee in the New York area for the Fidelity Mutual. He served in the navy in the war.

C. L. U.

To Dedicate C.L.U. Building Dec. 7

The new headquarters of the American College at 3924 Walnut street, Philadelphia, will be formally dedicated Dec. 7. The Philadelphia C.L.U. is sponsoring a luncheon at the nearby Penn Sheraton hotel at 12:45 p. m. It is planned to have outstanding leaders in the business participate briefly in the program, with President Harold Stassen of University of Pennsylvania making the concluding remarks. Following the luncheon there will be an inspection of the new quarters, a photograph of which appeared in THE NATIONAL UNDERWRITER some months ago.

C.P.A. Los Angeles Speaker Talk on Trust Service

LOS ANGELES—Los Angeles C.L.U. chapter was host to officers of the Los Angeles Certified Public Accountants. R. H. McCracken, C.P.A. and member law firm of McEntee, Willis & McCracken, spoke on "Utilizing Accounting in Estate Planning." The life agent, C.P.A. and attorney have a field in estate planning in which they can work together, he said.

Not one client in a thousand really knows just what he has, what it costs to die, or what to do. The C.P.A. must look at all the reserves the client has to determine the client's worth. The life agent's interest in the client's balance sheet relates to the future. He discussed



Given competitive rates and plans, along with the utmost in service and security to his clients, an agent is entitled to expect from his Company a fair and liberal contract which will give him a permanent and vested interest in the business he writes.

This Company believes in and offers these things its exceptional progress is evidence of this belief.

Independence of action is fundamental to the American Agency System.

PHILADELPHIA LIFE

INSURANCE COMPANY • PHILADELPHIA 7, PA.

Established 1906

WILLIAM ELLIOTT, President

• BERTRAM S. BALCH, Superintendent of Agencies



We are Growing

AND SPREADING OUT—

As a result of the progress Postal Life & Casualty has made, we can offer real opportunities for men who are looking for a chance to develop their own agencies.

POSTAL LIFE & CASUALTY INSURANCE COMPANY

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community property and cited mixups that occur in an estate where community property and joint tenancy are involved. Often insurance comes into estate planning when the client wants to save property, Mr. McCracken concluded.

Fraser Lincoln President

W. A. Fraser, manager of Bankers Life of Iowa, was named president of the Lincoln, Neb., C.L.U. chapter. He succeeds Harold Dillman, Security Mutual of Nebraska. O. R. Frey, Bankers of Nebraska, is vice-president, and Ed Frerichs, agency vice-president of Security Mutual Life, secretary.

Past president certificates went to Chester Dobbs, Mutual Benefit Life; Milton Koch, Northwestern Mutual Life; Messrs. Frey, Frerichs and Dillman.

Dr. W. H. Irons, vice-president of the Federal Reserve Bank of Dallas, addressed the Fort Worth C.L.U. on the general business outlook. Guests included representatives of banks, trust companies, lawyers, the Life Managers' Club and the Fort Worth Life Underwriters Assn.

SALES MEETS

Prudential Western Office Host to 700 from Field

LOS ANGELES—More than 700 Prudential ordinary managers, supervisors and producers met in the newly opened western home office of Prudential at the conclusion of dedication ceremonies. Carrol M. Shanks, president, opened the convention and John Skelly, superintendent of agencies, presided over the opening business session. Sayre McLeod, vice-president, discussed future plans. W. Jackson Letts outlined the new "dollar guide" program. Harry J. Volk, vice-president in charge of the western home office, spoke.

Following a luncheon and a tour of the home office, the convention closed with a panel discussion in which the following participated: Leonard S. Dahlgren, New Orleans; Floyd R. Breitman, Indianapolis; Earl L. Leininger, Fort Worth; Mrs. Laura M. Benham, Buffalo; Quan L. Ching, Honolulu; Horace B. Berg, Portland, Ore.; George A. Novell, Los Angeles; Dean Y. Ishii, Honolulu, and Carl M. Schnepel, Rochester, N. Y.

Read Agency Holds Rally

The Des Moines agency of Mutual Life held its annual agency meeting, a two-day conference attended by 30 representatives from central Iowa. The sessions were conducted by Thomas B. Read, manager, F. G. Lundblad, assistant manager, and R. W. Daniels, cashier.

Don Ross of "Successful Farming" talked on the farm market and Dr. L. K. Meredith, local examiner for Mutual Life and medical director of National Life of Iowa, talked on selection

and medical problems. There was a banquet for agents and their wives at the Des Moines Club, at which O. W. Severance, sales manager of the Penn-Dixie Cement Co., was the speaker.

NEWS OF LIFE ASSOCIATIONS

Wis. Life Men in Milwaukee Session

MILWAUKEE—About 275 members from throughout the state attended the mid-winter sales congress of the Wisconsin Assn. of Life Underwriters here, in spite of a severe cold wave and storm throughout the state. The usual meeting of the Quarter Million Dollar Round Table, now known as Life Insurance Leaders of Wisconsin, was postponed until January, Richard Forester, Mutual Benefit, chairman, stated, in order to permit concentrating on the sales congress.

R. M. Vetter, Continental Assurance, Madison, state president, extended welcome and W. H. Pryor, national committeeman for Wisconsin, presided.

Discussing "Organizing Your Life Insurance Career," Harold W. Gardiner, educational director Northwestern Mutual, said in any sound work pattern certain steps are indispensable to success. He told personal experiences as a salesman and supervisor before the war and experiences of agents in today's market. The agent should look into the mirror. "Be sure that you, your own sales manager, recognizes his responsibilities," Mr. Gardiner said. The agent has a franchise to operate a sole proprietorship.

Points Out A Danger

"Unless that sole proprietorship follows good business principles, the business giant, which is your company and your own general agent, can continue to prosper, but your sole proprietorship can fall flat on its face. First thing you need for good self-management of your sole proprietorship is the facts. To get the facts, you must keep records. Your records deal with time, but your time is worth money.

"In the life insurance business, many a man has found himself out of the business without ever discovering that he started to fail the first day he was in it because of a lack of prospecting. Prospecting is either a problem or a process. Leading salesmen spend 50% to 75% of their time prospecting. How much is enough? Compare the rate of new sales calls with the number of new prospects.

"Are you spending dimes to make dollars? The postman is ready to make some of your calls for you. Pre-call mailings are the simplest and most effective form of advertising. Million dollar producers use them regularly."

Since the need for life insurance stems from the individual's love for his family, his need for future security and his pride in providing for himself, these human factors are not likely to be changed by wars or depressions, Isaac S. Kibrick, Boston, million dollar producer New York Life, declared in a talk on "Life Insurance in This Changing World." No matter what course the national economy takes in the next few years, business will continue to be good for life insurance.

As a result of concentration of wealth and of large industry, there is a newer factor in life insurance. Many young men yearn for the security which their forefathers had with a farm or small business, but today it is more difficult for new small business to be established successfully. Since the young men now are working as executives and managers for other employers, the life agent can provide them that sense of security from earnings since they do not have the profits from small businesses.

"When you program a client's insurance right, he becomes a better American," Mr. Kibrick said, "because he knows which way his future is going."

While many agents think their greatest need is contacts, they sometimes forget it is even more important to be trained to make the most and best use of contacts. When he was young in the insurance business, Mr. Kibrick's pros-



Cakes are made from various ingredients, but our cake contains—Special service—Sharp selling aids—A complete line of policies—A tried and tested recruiting plan—A proven training procedure.

The "Icing" is the Pan-American Life's
NEW AGENT'S COMPENSATION PLAN
BUILT FOR THE CAREER MAN

LIFETIME COMPENSATION

plus

BONUS FOR QUALITY BUSINESS

CONTINUOUS RENEWALS

NON-CONTRIBUTORY PENSION

DISABILITY BENEFITS

DEATH BENEFITS

How's that for icing!

For Information Address:

CHARLES J. MESMAN, Superintendent of Agencies

PAN-AMERICAN LIFE INSURANCE COMPANY

New Orleans

CRAWFORD H. ELLIS, President

EDWARD G. SIMMONS
Executive Vice-President

KENNETH D. HAMER
Vice-Pres. and Agency Director

U. S. A.

THIS COULD BE *Your* STORY.....



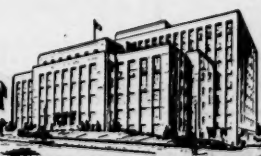
DR. ANDREW SIVERTSEN, A PROMINENT MINNEAPOLIS PHYSICIAN, PROVIDED HIMSELF WITH INCOME PROTECTION IN 1927



Mutual
OF Omaha

More than 1,900,000 Policyholders
More than \$235,000,000.00 paid
in benefits

MUTUAL BENEFIT
HEALTH & ACCIDENT
ASSOCIATION
OMAHA



THE WORLD'S LARGEST EXCLUSIVE HEALTH AND ACCIDENT COMPANY

pects always were new people, but now he finds many prospects among old clients to cover them more fully for the new and additional life insurance needs.

The understanding of human relations in selling was discussed by R. C. Tomlinson, Sr., Lake Forest College and Dale Carnegie Institute special lecturer, who has been counseling a group of life agents in Chicago in sales psychology.

John L. Sonderegger, the new Wisconsin commissioner, was a luncheon guest and spoke briefly. He invited the agents to make free and full use of the department's facilities.

L. D. Harkrider, president General Malleable Corp., Waukesha, head of the Wisconsin Manufacturers Assn., who recently returned from a European inspection trip with a group of business men, spoke on "Reactions to My European Trip."

Speakers in Afternoon

In the afternoon, Frank G. McNamara, Waukesha, state administrative vice-president, presided. W. D. Davidson, associate manager Equitable Society, Chicago, discussed "Business Insurance," and a discussion period followed. Wilfrid E. Jones, editor "Life Assn. News," talked on "Who'll Take the High Road?"

Sales congress chairman was E. C. Ebersol, Lincoln National, and Roy Millar, Minnesota Mutual, co-chairman.

The evening preceding the congress, two bull sessions were held, on "Simplified Programming," conducted by Roy Millar, and another on "Business Insurance and Taxation," with H. R. Buckman, Old Line Life, as moderator

and George J. Laikin, Milwaukee and Chicago tax attorney, as counsel. Mr. Millar discussed the origin of settlements options and their use in place of lump sum settlements, building up simplified programming with hypothetical cases. He also brought out possibilities of danger in tying up proceeds of programming too tightly and not allowing for unforeseen contingencies and emergencies and told methods to avoid such dangers. Agents participated.

In the other session, business insurance and buy-and-sell agreements in various ramifications and situations were discussed, and numerous regulations were cited and court decisions affecting specific points raised.

Earlier in the day a state regional conference was conducted by Wilfrid Jones, publications editor, and Richard E. Imig, Sheboygan, Wis., trustee N.A.L.U., which was attended by President Vetter and officers of local associations throughout the state. National, state and local problems and programs were discussed.

Says N. A. L. U. Won't Bow to "Minority Screaming"

ATLANTA—The National Assn. of Life Underwriters board "will not bend to minority and subversive screaming" for change of its objectives, Judd C. Benson, N. A. L. U. vice-president and manager of the home office agency of Union Central, told the Atlanta Life Underwriters Assn. He said N. A. L. U. objectives had been established on the basis of a professional organization and

asserted they would not be changed "unless by the democratic process," the members vote to change them.

He summed up the objectives as: increase availability of life insurance, improve the quality of service, maintain ethical standards, improve information concerning life insurance and its benefits.

N. A. L. U. Not Collective Bargainer

He stressed that N. A. L. U. was not a collective bargaining agency and felt free to make suggestions to company management on things the association believes will attract better men and women to the business and that "will accrue to the benefit of the industry and policyholders."

Mr. Benson said there had been misunderstanding over the N. A. L. U. decision not to appear in opposition to the Gearhart resolution. The resolution was designed to preserve the status quo. The N. A. L. U. board felt that to oppose the resolution under the circumstances "would be inappropriate, ill-advised, and a dumb thing to do."

Thomas H. Daniel, Atlanta general agent of Union Central, was honor guest at the meeting. He is observing his fiftieth year in the life insurance business. Mr. Benson said Daniel was the company's "most distinguished general agent."

Membership certificates in the Women's Quarter Million Dollar Round Table were presented to three qualifiers.

H. P. Gravengaard Addresses Indianapolis Association

Predictions of an excess profits tax and no relief from the double taxation of corporate dividends were made before 150 members of the Indianapolis Association on Nov. 18 by H. P. Gravengaard, editor of the Agent's Diamond Life Bulletins. He said that with the possibility of a third world war just around the corner, agents have a special responsibility to look upon business insurance as an important instrument in preserving the strength of business and industry, "the vital factor which even Joe Stalin admits won World War II."

"Every time an uninsured key man, sole proprietorship, partner, or close corporation stockholder dies, business assets are thrown away," he continued, "and American business structure, the one armament that can win a future war and preserve the American way of life for us, is weakened in that degree. It is the responsibility of life insurance men everywhere to see that business assets are preserved through the use of business life insurance."

Mr. Gravengaard also declared that business insurance is not too complicated to be handled by any full-time agent. "Business insurance is a major field of life underwriting today," he said, "and a study of business insurance will increase not only commission income but also the respect and gratitude of clients."

Lawyer's Relation Told

Frank C. Dunbar, Jr., president of Columbus, O., Bar Assn., in an address at the fall seminar of Columbus Life Underwriters Assn., explained the functions of the life underwriter and the attorney in the handling of complicated insurance and estate problems in order that the best interests of their mutual client may be conserved.

"In many instances," said Mr. Dunbar, "it would be wise for the life underwriter to consult the attorney for the client before closing the insurance

contract." He urged that attorneys refrain from all activity in the selling of life insurance and that life insurance writers abstain from passing on legal questions.

Edward T. O'Brien, president of the association, presided at the meeting, which was attended by 200. The seminar was divided into three panels, the speakers being George Patton, Hugh McTeague and Robert Bettimer. Robert T. Cull was chairman of the seminar, with W. B. Hoyer as associate.

At a business session, tribute was paid to the late Ely D. Miller, who was secretary for 25 years. The constitution was changed to provide for a membership secretary.

Big Vt. Turnout for President Orr

MONTPELIER—Agents from every sizable town in Vermont, together with a delegation from the National Life home office headed by President Ernest M. Hopkins, comprised a luncheon audience of 130 to greet Clifford H. Orr, National's general agent at Philadelphia and president of the National Assn. of Life Underwriters, at a meeting of the Vermont association. Mr. Hopkins in introducing Mr. Orr expressed the pride the company felt in his election as national president.

Mr. Orr predicted that though the United States is already the most heavily insured nation the years ahead will see the average policy size increase greatly as the public comes to understand the uses and benefits of life insurance. He deplored the failure of the schools and colleges to teach personal economics and gave the N.A.L.U. viewpoint on life insurance education, National Service life insurance, and social security extension.

Fred S. Brynn of Montpelier, general agent of National Life for Vermont, presided as head of the state association.

Big Attendance for Dallas Annual Round-Up Seminar

DALLAS—Heavy attendance marked the series of three weekly meetings in the annual fall round-up seminar of the Dallas Life Underwriters Assn. Speakers at the first meeting were Dean David McCahan of the American College, and R. A. Furbush, vice-president of American National; at the second meeting, J. D. Soper, manager of Sun Life of Canada at Kansas City, and J. S. Marynam, million-dollar producer of Aetna Life at Little Rock; and at the final meeting, Paul Speicher, president of Insurance R. & R.; and Charles E. Gaines, director of agencies, Great National Life.

N. C. Men Confer. Set Meeting Dates

GREENSBORO, N. C.—The executive board of North Carolina Assn. of Life Underwriters, meeting here, selected Winston-Salem for the next annual convention, to be held in June. It also set a meeting of the executive board for Raleigh in January in connection with opening of the state legislature.

The meeting was held prior to a national, state and local association conference at which James B. Hallett, general counsel N.A.L.U. and W. H. Andrews, Jr., of Greensboro, past national president, were speakers.

Life Men Hear Hallett

Life men from various parts of Virginia attended a conference at Richmond under sponsorship of Virginia Life Underwriters Assn., with Herbert R. Hill, Life of Virginia, Richmond, and David B. Flugelman, Northwestern Mutual, New York, both national trustees, and James B. Hallett, general counsel of N.A.L.U., in charge. Mr. Hallett outlined some of the outstanding activities of the N.A.L.U., detailing par-

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ticularly the scope of legislative work done in Washington. He said the N.A.L.U. was going to need the aid of congressmen in work yet to be done and suggested the Virginia life men secure their congressmen's assistance and cooperation.

Mr. Hallett and Mr. Hill were speakers at the state dinner and Mr. Fluegelman was guest speaker at the Richmond association. His subject was "The Philosophy of Selling." He emphasized the importance of knowledge of the business, work, professional attitude. It is especially essential that life underwriters have a definite goal in their work, he said. Officers of the fourteen local associations in Virginia also attended.

Forum on Merchandising Methods Held in Hartford

HARTFORD—The Hartford Life Underwriters Assn. held a new type of meeting here, a panel discussion at its weekly luncheon to analyze local life insurance merchandising methods. Other similar programs may be held in future.

Featured in discussion were questions of obtaining prospects, pre-approach and prestige-building materials, use of direct approach, interview systems, the how and when of closing cases, and proper time for prospecting.

The panel consisted of six members. Representing weekly premium men were Dominick Carrozzella, assistant manager Metropolitan, and Fred Jarvis, assistant manager Prudential. Ordinary production men were J. E. Douglas, Aetna Life, and J. A. Walsh, Massachusetts Mutual. Philip Holloway, Connecticut General, and Timothy Oakes, Phoenix Mutual, represented advanced programming men.

Kansas Assn. Objective

Rex Lear, Salina, president of Kansas Life Underwriters Assn., announces an increase of 40 members since July 1. One of the year's objectives is a 20 per cent increase in membership and the organization of two new local associations in the state. There are now 13 local associations. Mr. Lear spoke at Nebraska association at Hastings, Kearney and Grand Island, accompanying Forrest A. Ritchie, Nebraska president.

Minneapolis Group Plan

MINNEAPOLIS—Members of the Minneapolis Assn. of Life Underwriters are practicing what they preach for they are signing up for group insurance under an accident and health group plan of North American Life & Casualty of this city. Dec. 15 is the deadline for initial enrollment without evidence of insurability. It is necessary that 75% of eligible members be enrolled initially before the plan can be made effective.

John Latosi, Equitable of Iowa, Buffalo, spoke at a joint meeting of the Auburn, Geneva and Tri-Lakes associations.

Pittsburgh—Donald C. Blackwood, associate general agent of National Life of Vermont in Pittsburgh, will discuss the future possibilities of life insurance selling at a meeting of the Butler branch Dec. 2 at 11:30 a.m.

Springfield, Ill.—Professor Robert I. Mehr of the University of Illinois spoke on "The Professional Cloak."

Minneapolis—Paul H. Dunnagan, Canada Life, 1948 chairman of the Million Dollar Round Table, and William S. Leighton, New York Life, past president of American Society of C.L.U., provided the program Nov. 19.

Cincinnati—The successful agent has to be a split personality, both a tough boss and a loyal, industrious employee, H. Cochran Fisher, Aetna Life, Washington, declared. J. H. Grossman, Union Central, reported on community chest team activities and awarded prizes. Elsie Doyle, Union Central, gave the report of the Seguin school Christmas party committee. B. S. Taylor, New England Mutual, president, awarded certificates to the members of the women's quarter

million dollar round table. H. Thomas Craig, general agent Aetna, introduced Mr. Fisher. Home office guests included W. A. Johnson, educational director Great-West Life, and William Holmen, agency assistant, and R. K. Adams, Aetna Life.

Columbus, O.—The fall sales seminar was held Friday with several hundred in attendance. Directors of the panel discussions were George A. Patton, Jr., Mutual Life; Hugh McTeague, Metropolitan Life, and Robert Lattimer, Massachusetts Mutual Life. Speakers at the luncheon was Frank C. Dunbar, Jr., president of Columbus Bar Assn.

South Bend—Three agents received the C.L.U. designation at the monthly luncheon meeting, J. W. Hennessy, manager Jefferson National; J. E. Miller, Prudential, and L. B. Wilson, assistant manager Mutual Life. R. D. Hinkle, Equitable Society, Chicago, past chairman American C.L.U. Society, made the presentation. They were the first here to complete the course successfully, and become members of the Indianapolis C.L.U. chapter until membership here grows sufficiently to warrant a local chapter. Mr. Hinkle was the principal speaker, discussing conservation of estates.

Memberships in the Women's Quarter Million Dollar Round Table were awarded to Gertrude Hicks, Connecticut Mutual, and Mildred M. Lash and Ann S. Liston, Northwestern Mutual.

Fort Wayne—The choice for business and industry lies between the installation of private pension plans or ever-expanding government pension provisions, said Milton Elrod, Jr., Indianapolis tax attorney. The Democratic administration, he declared, is committed to expanded social security and feels it has a mandate from the voters to go ahead with its plans. If business and industry do not establish adequate pension plans of their own design, then government will design the plan for them and will consult labor and not business on the details.

Buffalo, N. Y.—Alfred S. Howes, Connecticut Mutual, Albany, spoke on "Estate Planning and Tax Analysis," at the monthly luncheon. He is associate counsel on life insurance matters for a firm of eastern attorneys and also operates an accounting firm.

Rochester, N. Y.—Glenn W. Isrig, Cincinnati manager of Reliance Life, addressed the November meeting. Certificates were awarded to those who have completed their first year of study in the University of Rochester C.L.U. course.

Denver—Nineteen new members were voted in at the November board meeting.

Chattanooga—Judd C. Benson, Union Central Life, Cincinnati, vice-president of N.A.L.U., addressed the November meeting.

Nashville—Charles Luker addressed the November meeting.

Niagara Falls, N. Y.—Arthur S. Surdam, C.P.A. and attorney, Buffalo, spoke on business insurance and taxes.

Topeka—Four teams have been formed to assist with the Community Chest drive, with President Paul J. Allen, Equitable of Iowa, in charge. The association reports 28 enrolled in the C.L.U. course with Purdue Graves as director.

Manhattan, Kan. — Frank Sullivan, Kansas commissioner, and Paul J. Allen, Equitable of Iowa, president of the Topeka association were guests at the November meeting.

Salina, Kan.—Don Mitchell, New York Life, Wichita, vice-president of the Kansas association, will speak Dec. 4.

Hutchinson, Kan.—Elmer C. Moore, New York Life, Wichita, member of the Million Dollar Round Table, spoke Nov. 17.

Kansas City—Minna Hensley, Salina, secretary of the Kansas association, spoke before the women's division.

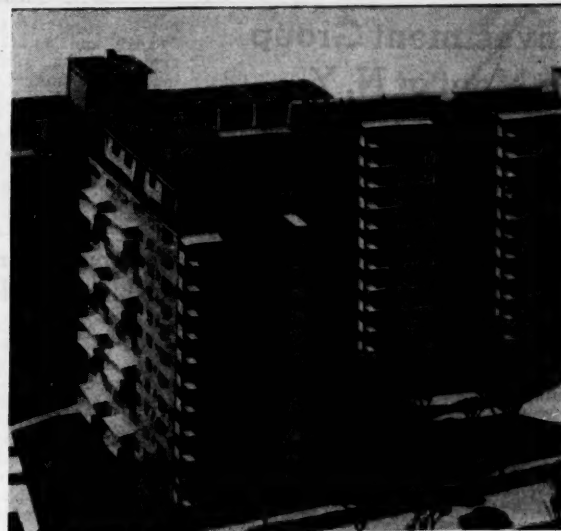
Buffalo, N. Y.—Harry S. Redeker, general counsel Fidelity Mutual, will address the Dec. 2 luncheon meeting. The Life Insurance Trust & Banking Council and members of C.L.U. Chapter have been invited to attend.

Dodson to Talk At Columbus

M. R. Dodson, executive vice-president and actuary of Ohio National Life, will address Life Managers and General Agents Assn. of Columbus Nov. 29 on "Results of Life Insurance Trends."

N. E. Mutual's First Housing Project

This is how the central portion of the apartment building which New England Mutual Life will build in Cambridge will appear when completed. Called the most unusual apartment building in America, it is being built to house Massachusetts Institute of Technology faculty members. There will be 261 dwelling units in the 12 story building. The building marks New England Mutual's entry into the housing field. It will cost about \$3 million.



Lederer Speaks in N. Y.

L. W. Lederer, associate educational director Life Office Management Assn., addressed the Life Agency Cashiers Assn. of the City of New York at a meeting. The association is planning to sponsor a L.O.M.A. study group.

Reports on Selection Poll

SEATTLE—Lloyd Harrison reported results of a poll of managers on agency selection practices at a luncheon Monday of the Life Agency Managers. He discussed success and failure factors in seven case histories.



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LEGAL RESERVE FRATERNALS

Investment Group to Meet at N. Y.

The Fraternal Investment Assn. which was formed at Pittsburgh during the annual convention of the National Fraternal Congress has scheduled a meeting of its directors at New York Dec. 12, the first day of the gathering of National Assn. of Insurance Commissioners.

The fraternal group is just getting into motion. It has had a substantial response from the societies, and it is reported that a considerable number of the leading fraternal societies have signified an intention to join. The New York gathering will be for the purpose of surveying the field of member possibilities and formulating more concrete plans for investment studies, educational work among investment officers of societies, etc., similar to the work of the financial section of the American Life Convention.

De E. Bradshaw, chairman of Woodmen of the World Life, Omaha, is president of the Fraternal Investment Assn. and Charles Harrington of Chicago, investment officer of Woman's Benefit, Port Huron, Mich., is the secretary.

There will be no formal meeting of the N.F.C. executive committee at New York during the commissioners' gathering but it is likely most of the executive board will be present there, including Mrs. Jeanie Willard of Woodmen Circle, Omaha, president, and Foster F. Farrell of Chicago, secretary-manager.

Maccabees' Production

October new sales of Maccabees totaled \$1,973,748 adult, \$1,099,278 junior, and \$413,632 sickness and accident. Ten

months figures were \$20,562,488, \$10,298,619 and \$3,147,932, respectively, a slight gain in adult business, \$323,916 increase in junior lines and a decrease in S. & A., J. E. Little, field director, reported. Michigan led the states in October and New York was second. Individual leader for 10 months was Joe A. Marino, West Virginia, with \$617,250; and Robert Goldberg of Washington led district managers with \$980,600.

Commissioners' Committee on Blanks Selected

The National Fraternal Congress at a recent session named a committee to work on a new annual statement for fraternal societies, and also asked the blanks committee of the National Assn. of Insurance Commissioners to name a committee to work with the congress committee. Accordingly, Walter A. Robinson, Ohio department actuary, chairman N.A.I.C. blanks committee, has named his committee:

Charles C. Dubuar, chief actuary New York department, chairman; Frances McGovern, chief examiner, Rhode Island; Oscar A. Kottler, deputy, Pennsylvania; Albert Burger, chief examiner, Minnesota; W. Harold Bittel, actuary, New Jersey; George McAteer, actuary, Washington State, and L. H. Sanford, chief examiner, Michigan.

Lutheran Brotherhood Totals

New issue of Lutheran Brotherhood in October was \$3,473,963 although submissions totaled \$4,894,469 adult and 475 juvenile apps, for a total over \$5 million. For 10 months aggregate was \$35,360,762. For nine months net gain in force was \$25,442,415, a greater gain than in the same period last year. In nine months total issue was \$31,040,-

974, compared to \$29,569,618 in the same period of 1947, a 4.98% increase.

Neumann Agency Leads A.A.L.

The E. H. Neumann agency of Aid Assn. for Lutherans led the field for 10 months with \$2,982,800 production, a gain of about 4 1/2% over the same period

last year, and had \$480,250 production in October, \$100,000 increase over October, 1947.

John Pekrul General Agent

John Pekrul, Milwaukee, has been appointed general agent of the Lutheran Brotherhood for several counties in Wisconsin.

Committee Probes Company Size

(CONTINUED FROM PAGE 9)

sel probed repeatedly for information that would indicate that life companies exercise control over the business policies of borrowers, where huge loans are made by one insurer or a few insurers; or that they might exercise this control under depressed economic conditions. Mr. Lincoln and others assured them that this did not happen except possibly under the most extreme circumstances, and then the life companies are required by law to get out of the borrower's management as rapidly as possible. Some control is occasionally exercised in reorganization, especially in the railroad field. Privately placed securities are not traded in, Mr. Haggerty said, because the issues are much too large for the company to be jumping in and out of the market on them.

PARKINSON SPEAKS

Mr. Parkinson estimated that the total of private placements at present is \$6 billion. Mr. Krowitz said they totaled \$10 billion.

Can you lend more to a borrower to ease it during a period of stress, when the borrower is unable to meet the obligations imposed by the past loan, as one life company did? Mr. Mahoney asked. That course, Mr. Haggerty said, might be the best for the company to follow to protect its previous loan. He added that in connection with publicly sold securities, when a company got into difficulties, a bondholders committee is formed, and other precautions taken.

In his prepared statement, Mr. Lincoln said that if any such limitation as to amount or percent is to be applied to corporate securities they might be applicable to the percentage of assets to be invested in the oil industry, the public utility industry or some other industry. But in this event they should be applicable to the total investment in the classification concerned, irrespective of the method of acquisition.

Delve into Size Question

Are life companies too large? Mr. Shanks replied that in 1925, total in force was \$2,400 per family, and a year's income for an average family was \$2,700; this is 89% of a year's income. In 1947 the annual income had increased to \$5,200, but life insurance was \$4,600, or 88%. As to assets, Mr. Shanks said time deposits in bank accounts, U. S. savings bonds, savings and loan associations, government pension and trust funds increased 353%, 1926 to 1948. In the same time life company assets increased 273%. In the last 10 years life assets increased 93%. Individual savings other than life 324%.

It is not true that the larger companies get an increasing share of the total increase in life business, Mr. Shanks said. Prudential in 1937 wrote 16.7% of total new business; in 1942, 12.1%, and in 1947, 11.8%.

In 1926 the total mortgage debt in the U. S. was around \$32 billion, at the end of 1947 it was \$45 billion. Of this, all life companies held less than one-fifth and Prudential only 2.8%. In 1926 these figures were 15.2% and 2%. Prudential's average mortgage at the end of 1947 was \$7,452.

The corporate securities held by Prudential do not offer or afford any economic power, and the company has not

sought to place directors on boards of borrowing corporations.

There is no managerial power conferred by a loan, except the company must protect its policyholders in event of default.

Any limit placed on surplus should be fixed in consideration of its true function of safety, Mr. Lincoln commented on another point raised by the committee, whether stricter control should be effected in increase in surplus. It would be unwise to try to for a different objective at the expense of safety, he said. Life contracts run for a long time, and it is necessary to provide for unforeseen contingencies such as depreciation or loss on sale of securities, sharp decline in interest rate, temporarily excessive mortality and disability claims, etc. The business has faced all of these since the influenza epidemic of 1918-19.

Limit Would Waste Funds

As to any limitation on the writing of new business, he said that when a company reaches that limit, for the balance of the year its agents are denied the privilege of pursuing their occupation unless they leave an established connection and go with another company. Waste of policyholders funds spent in establishing an agency organization would result. Mr. Shanks said this is especially hard on small companies.

In his introductory remarks, Mr. Mahoney said this was an exploratory hearing, that perhaps the questions raised do not reflect a problem that requires legislative solution. The committee finished with the life business Monday. That evening members of the committee were hosts at a cocktail party.

The Harmelin agency of Columbian National Life in New York City will open its five-lecture course to prepare brokers for the New York State life agents examination Nov. 29 at 6 p.m. at room 1756, 50 Church street, New York City.

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Lowell Mason Gives Views on FTC and Insurance

(CONTINUED FROM PAGE 1)

whole industry. That, however, he concluded is only one segment of the industry.

Thomas Morrill, deputy superintendent of New York, was in the audience and Mr. Mason remarked that he spent several days with Mr. Morrill reviewing what state supervision has been up to lately and posting Mr. Morrill on FTC procedures.

Mr. Mason went on to say that in general, competition tends to bring business practices to a certain level, but on the average about 3% go below the ethical level. He said he feels it is a mistake for FTC to proceed by prosecution against one company when nearly all others are doing the same thing. It is impossible to sue everybody, he remarked. If FTC proceeds against one operator for doing what 999 others are doing, the one concern is tied up while the others are "free to dance around." He said the sounder method is to get an industry agreement on practices and then go after the 3% that won't observe such an agreement.

"We don't know where the federal trade commission fits into the picture or where casualty insurance fits into it," he declared.

Constant Renewal of Activity

A rule, he said, doesn't mean much until there is common acceptance of the rule and, furthermore, there must be a constant renewal of trade practice activity so as to impress upon the newcomers in an industry what the rest in that industry know are the rules of the game.

Mr. Mason declared that there are some advantages in the S.E.U.A. decision as well as disadvantages. He said that the insurance business will have to be on the watch for the possibility of Uncle Sam sitting on its doorstep writing the rules.

One of the advantages of the decision, he said, is that it will prevent the operation of large aggregations of economic power that might exert pressure against independent operators.

Also the decision will prevent boycott. He said he does not know what form boycott might take in the insurance field, but he said that in other fields, for instance, an operator that does not charge as much as his competitors may have difficulty in getting supplies. The so-called "chiseler," the speaker said, is often the only protection that the public has. So far as insurance is concerned, he said that it must always be recognized that insurance has to make its promises good. By this he apparently indicated that the practices that might be regarded as in the public interest in some field might have to be viewed differently when it comes to insurance.

Causes Improvement in Laws

Another advantage of the S.E.U.A. decision, he declared, is that it is bringing about an acceleration of improvement in state laws. He said that modernization of state insurance laws has been blocked in the past, but now there is great impetus for improvement. He praised particularly what the Massachusetts insurance department is trying to accomplish in the way of modernizing legislation.

When it comes to the difference as between state and federal legislation, Mr.

A. & H. Men Honor Memory of Harold R. Gordon

(CONTINUED FROM PAGE 3)

was one of the reasons they withdrew from it. He said much of the criticism of A. & H. companies today grows out of a lack of understanding of those difficulties.

He asked what would happen if a claim were found not to be covered. If it were declined, the claimant probably would call his precinct committeeman and set the machinery in motion to make sure that it was paid. He said the government has plenty of other responsibilities to look after, particularly at the present time, without taking on additional headaches of this sort.

A. & H. people will agree that there is a need for covering more people, but it is primarily a question of methods. He offered one suggestion along that line. Citing the provision of the 1942 revenue act which allows income tax deduction of premiums paid for A. & H. insurance, along with medical and hospital expense, only when it totals at least 5 per cent of a man's income, he said that helps the man who is able to hire high class specialists when he is ill, but the average man on the street very seldom is able to take advantage of that deduction. His proposal was that all A. & H. premiums be made deductible from gross income, without the 5 per cent limit. He said it would be better for the people, the government and incidentally for the A. & H. business.

He reiterated that A. & H. men must arm themselves with the facts and produce evidence that the business can and will do even more than it has done. He produced figures covering all lines of insurance for the 27 years of Mr. Gordon's tenure with the conference, showing that in that period A. & H. business had increased 1,300 per cent, automobile insurance coming next with 1,000 per cent, while the fire insurance growth is a little more than 200 per cent and life a little more than 200 per cent.

He said that was at least a partial answer to the question of whether it can and will do the job.

Mason said "I go for the state every time." He said he deplores any endeavor to make Washington a haven for local justice. There is danger of communism in people washing their hands of local problems and passing them over to Washington, he said. He urged insurance people to do everything they can to keep regulation close to home. This is not only for their benefit but for the benefit of the economy and polity of the country.

Mr. Mason alluded to the matter of insurance rate regulation which he remarked is comparable to the question of price regulation in other fields. He spoke of the fact that the Miller-Tydings act provides that a manufacturer could protect the integrity of his product by instructing the retailer what he should charge for it, provided that state laws give approval to such procedure and provided that the product is one that is branded and one that is in competition. He said, for instance, that FTC would not extend this privilege to Eastman Kodak Co. in connection with its color film when it first came out and there was no competition in that field.

He said that carrying this procedure over into the realm of insurance, it might be held that a necessary degree of competition exists because under the state rating laws, a competitor has access to the rating information.

Insurance, he went on to say, is entirely different "from what we have struggled with." He said the insurance business is going to have a great period of uncertainty.

Small Companies Not Now Critical of Private Loans

(CONTINUED FROM PAGE 2)

case of public securities, sell off the security and take its loss. Investment men say that if a concern whose securities were sold publicly gets into difficulties, the life company is in no more favorable a position to secure a return of its loan than in the case of a private loan, and perhaps not as good. Privately placed loans, the companies are convinced, are generally better than publicly placed securities. They regard this as a permanent field of investment because it does give them certain advantages they don't have on a public security. On privately placed loans the insurer is closer to the borrower and can act more quickly when action is indicated. It can go along with rehabilitation efforts. There are differences be-

between the loan privately placed and a debt security publicly sold. Sinking fund provisions, for example, usually include an item for contingent contributions for such funds in good times. They may also restrict mortgages or other loans for the duration of the debt. Frequently there is a restriction on dividends unless these are earned. Often it is provided that a borrower cannot dip into surplus or reserves to pay dividends except possibly for one year.

The criticism of life companies for "dumping" government securities in order to place their money in obligations that bear a higher rate of interest do not, the companies themselves feel, take into consideration (1) the fact that the life companies have been very conservative in selling off government bonds and have instead used principally new money for new investments, and (2) the terrific pressure of rising expenses makes it mandatory upon the companies to earn enough to meet their obligations and imposes a duty upon them to place their money in securities that will give them the best yield they can get commensurate with safety of principal. One company now has cut its government holdings to 19% of assets. This is as low as it is going to go. From now on it will use only new money for investments. It is predicted that the average holdings of governments by Dec. 31 will be about 30% of assets.



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1948	4,969,740	1,417,585	74,653,754

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Aetna's New 1949 Dividend Scale Is Shown

Two pages from the "Little Gem" scale of Aetna Life for ordinary participating policies are reproduced here-with. The total allocation for 1949 dividends is about 11% greater than that published by THE NATIONAL UNDERWRITER for 1948. The scale for 2 1/4% CSO

dends is about 11% greater than that published by THE NATIONAL UNDERWRITER for 1948. The scale for 2 1/4% CSO policies now being issued is:

Aetna Life, Conn.

20 Aetna Life, Conn.
1949 DIVIDEND SCHEDULE
Illustration—Based on June 1, 1947 Premium Rates

Ages	26	27	28	29	30	31	32	33	34
Premium	21.27	21.92	22.58	23.29	24.01	24.73	25.50	26.27	27.10
1	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
2	2.36	2.55	2.74	2.94	3.11	3.28	3.43	3.58	3.76
3	2.60	2.79	2.98	3.18	3.36	3.51	3.68	3.84	4.01
4	2.85	3.03	3.22	3.43	3.60	3.76	3.94	4.09	4.26
5	3.08	3.26	3.46	3.65	3.84	4.01	4.18	4.33	4.52
6	3.31	3.51	3.69	3.89	4.09	4.25	4.42	4.59	4.76
7	3.55	3.73	3.92	4.14	4.32	4.49	4.67	4.83	5.01
8	3.77	3.96	4.16	4.36	4.54	4.71	4.89	5.07	5.25
9	4.00	4.20	4.40	4.60	4.80	4.97	5.15	5.31	5.48
10	4.23	4.42	4.62	4.84	5.03	5.20	5.38	5.54	5.73
11	4.46	4.65	4.86	5.07	5.26	5.43	5.61	5.78	5.98
12	4.68	4.88	5.08	5.30	5.49	5.66	5.85	6.03	6.23
13	4.91	5.10	5.31	5.52	5.71	5.89	6.09	6.27	6.49
14	5.13	5.32	5.53	5.74	5.94	6.13	6.33	6.53	6.74
15	5.35	5.54	5.74	5.97	6.17	6.37	6.58	6.78	7.01
16	5.56	5.76	5.96	6.20	6.41	6.61	6.83	7.04	7.25
17	5.77	5.98	6.19	6.43	6.65	6.86	7.08	7.28	7.49
18	5.99	6.20	6.43	6.67	6.90	7.11	7.32	7.52	7.74
19	6.21	6.43	6.66	6.91	7.14	7.35	7.56	7.76	7.96
20	6.44	6.66	6.90	7.15	7.37	7.58	7.79	7.98	8.19

10 Yrs. Premiums	212.70	219.20	225.80	232.90	240.10	247.30	255.00	262.70	271.00
10 Yrs. Divs.	30.75	32.45	34.19	36.05	37.71	39.20	40.76	42.18	43.78
10 Yrs. NET	181.95	186.75	191.61	196.85	202.39	208.10	214.24	220.52	227.22
Av. Net Pay.	18.20	18.68	19.16	19.69	20.24	20.81	21.42	22.05	22.72
10 Yr. Cash Val	126.00	130.00	134.00	138.00	142.00	146.00	151.00	155.00	160.00
10 Yr. Cost	55.95	56.75	57.61	58.85	60.39	62.10	63.24	65.52	67.22
Average Cost	5.60	5.68	5.76	5.89	6.04	6.21	6.32	6.55	6.72

20 Yrs. Premiums	425.40	438.40	451.60	465.80	480.20	494.60	510.00	525.40	542.00
20 Yrs. Divs.	30.75	32.45	34.19	36.05	37.71	39.20	40.76	42.18	43.78
20 Yrs. NET	394.65	405.95	417.41	429.75	442.49	455.40	468.24	481.22	494.22
Av. Net Pay.	19.73	20.29	20.86	21.47	22.12	22.81	23.51	24.25	25.01
20 Yr. Cash Val	301.00	308.00	316.00	324.00	332.00	340.00	348.00	356.00	364.00
20 Yr. Cost	39.15	41.43	42.74	45.79	48.45	51.41	55.20	59.25	63.14
Average Cost	1.96	2.07	2.14	2.29	2.42	2.57	2.76	2.96	3.16

Ages	35	36	37	38	39	40	41	42	43
Premium	27.96	28.88	29.83	30.82	31.88	32.97	34.14	35.35	36.61
1	1.00	1.00	1.00	1.05	1.12	1.20	1.29	1.38	1.46
2	3.91	4.09	4.27	4.43	4.61	4.79	4.97	5.16	5.36
3	4.17	4.36	4.52	4.69	4.87	5.05	5.25	5.45	5.66
4	4.41	4.61	4.78	4.95	5.13	5.32	5.53	5.74	5.96
5	4.68	4.86	5.03	5.21	5.40	5.60	5.82	6.04	6.27
6	4.93	5.11	5.29	5.47	5.67	5.88	6.11	6.34	6.58
7	5.17	5.36	5.54	5.74	5.95	6.17	6.41	6.65	6.90
8	5.41	5.61	5.80	6.01	6.23	6.46	6.70	6.92	7.15
9	5.66	5.87	6.07	6.28	6.51	6.75	6.98	7.21	7.44
10	5.91	6.13	6.34	6.56	6.79	7.02	7.26	7.49	7.71
11	6.17	6.39	6.61	6.84	7.07	7.31	7.53	7.76	7.97
12	6.43	6.66	6.89	7.10	7.33	7.56	7.79	8.01	8.22
13	6.69	6.93	7.15	7.36	7.59	7.81	8.04	8.25	8.46
14	6.96	7.19	7.40	7.62	7.84	8.06	8.28	8.49	8.69
15	7.21	7.44	7.66	7.86	8.08	8.30	8.51	8.71	8.91
16	7.46	7.69	7.89	8.10	8.31	8.52	8.73	8.92	9.11
17	7.70	7.92	8.13	8.33	8.53	8.73	8.94	9.12	9.30
18	7.95	8.15	8.35	8.54	8.74	8.94	9.13	9.31	9.49
19	8.16	8.37	8.56	8.75	8.94	9.13	9.32	9.49	9.64
20	8.37	8.58	8.77	8.95	9.13	9.31	9.49	9.65	9.80

10 Yrs. Premiums	279.60	288.80	298.30	308.20	318.80	329.70	341.40	353.50	366.10
10 Yrs. Divs.	45.27	47.00	48.64	50.39	52.20	54.24	56.32	58.40	60.48
10 Yrs. NET	234.33	241.80	249.66	257.81	266.52	275.46	285.08	295.12	305.64
Av. Net Pay.	23.43	24.18	24.97	25.78	26.65	27.55	28.51	29.51	30.56
10 Yr. Cash Val	185.00	190.00	195.00	200.00	205.00	210.00	215.00	220.00	225.00
10 Yr. Cost	69.33	71.80	74.66	77.81	81.52	85.46	90.08	94.17	98.96
Average Cost	6.93	7.18	7.47	7.78	8.15	8.53	9.01	9.41	9.86

20 Yrs. Premiums	559.20	577.60	596.60	616.40	637.00	659.40	682.80	707.00	732.20
20 Yrs. Divs.	118.35	122.32	126.05	129.64	133.83	137.89	142.08	146.08	150.04
20 Yrs. NET	440.85	455.28	470.55	486.76	503.17	521.51	540.72	560.92	582.17
Av. Net Pay.	22.04	22.76	23.53	24.34	25.16	26.08	27.04	28.05	29.11
20 Yr. Cash Val	372.00	380.00	388.00	396.00	406.00	415.00	424.00	433.00	441.00
20 Yr. Cost	68.85	75.28	81.55	88.56	97.77	106.51	116.72	127.92	141.16
Average Cost	3.44	3.76	4.08	4.43	4.89	5.33	5.84	6.40	7.06

1949 DIVIDEND SCHEDULE
Illustration—Based on June 1, 1947 Premium Rates

Ages	44	45	46	47	48	49	50	51	52
Premium	37.97	39.37	40.87	42.44	44.10	45.80	47.55	49.35	51.20
1	1.58	1.66	1.78	1.89	2.02	2.28	2.62	3.07	4.11
2	5.59	5.81	6.07	6.33	6.59	7.12	8.47	9.84	11.16
3	5.90	6.13	6.40	6.65	6.91	7.43	8.77	10.08	11.36
4	6.22	6.45	6.71	6.97	7.23	7.74	9.05	10.31	11.56
5	6.53	6.76	7.02	7.28	7.53	8.04	9.31	10.50	11.76
6	6.83	7.06	7.32	7.57	7.82	8.32	9.55	10.68	11.93
7	7.12	7.36	7.61	7.86	8.11	8.59	9.77	10.84	12.01
8	7.42	7.64	7.89	8.13	8.37	8.84	9.98	10.98	12.16
9	7.69	7.91	8.16	8.39	8.63	9.08	10.17	11.11	12.26
10	7.96	8.17	8.41	8.65	8.87	9.31	10.34	11.23	12.36
11	8.22	8.42	8.66	8.88	9.10	9.52	10.49	11.36	12.46
12	8.46	8.66	8.89	9.11	9.32	9.71	10.62	11.51	12.57
13	8.69	8.89	9.11	9.32	9.52	9.90	10.74	11.65	12.66
14	8.91	9.10	9.31	9.51	9.70	10.06	10.85	11.79	12.76
15	9.12	9.30	9.50	9.69	9.87	10.20	10.96	11.92	12.84
16	9.32	9.49	9.68	9.86	10.03	10.34	11.07	12.04	12.93
17	9.50	9.66	9.84	10.01	10.17	10.46	11.19	12.14	13.03
18	9.67	9.82	9.99	10.16	10.32	10.60	11.31	12.23	13.12
19	9.82	9.96	10.12	10.27	10.40	10.65	11.43	12.32	13.21
20	9.97	10.09	10.24	10.38	10.50	10.74	11.54	12.42	13.30

		10 Year Summary							
10 Yrs. Prems.	379.70	393.70	408.70	424.40	441.00	458.00	586.30	732.20	729.30
10 Yrs. Divs.	62.84	64.95	67.57	69.72	72.08	76.75	88.48	99.68	111.17
10 Yrs. NET	316.86	328.75	341.13	354.68	368.92	400.25	497.82	632.52	618.13
Av. Net Pay.	31.69	32.88	34.11	35.47	36.89	40.03	49.78	63.25	61.81
10 Yr Cash Val	212.00	218.00	223.00	229.00	235.00	247.00	278.00	309.00	300.00
10 Yr. Cost	104.86	110.75	118.33	125.68	133.92	153.25	219.82	323.52	479.33
Average Cost	10.49	11.08	11.83	12.57	13.39	15.33	21.98	32.35	47.93

than that
1/4% CSO

21
1/4% (Continued)

	60	65
63	73.22	82.88
67	4.11	5.55
67	9.84	11.11
77	10.08	11.11
05	10.31	11.11
51	10.50	11.11
55	10.68	11.11
77	10.84	11.11
98	10.98	11.11
17	11.11	11.11
34	11.23	11.11
49	11.36	11.11
82	11.51	11.11
74	11.65	11.11
85	11.79	11.11
96	11.92	11.11
07	12.04	11.11
19	12.14	11.11
31	12.23	11.11
43	12.32	11.11
54	12.40	11.11

30	732.20	928.88
48	99.68	111.11
52	632.52	818.88
18	63.25	81.11
30	309.00	381.11
52	323.52	479.88
18	32.35	47.11

owment—2 1/4%

	45	55
03	57.28	68.11
0	1.62	2.11
9	5.68	6.11
3	6.12	6.11
8	6.56	6.11
3	6.98	6.11
7	7.40	6.11
1	7.81	6.11
4	8.20	6.11
8	8.60	6.11
3	8.97	6.11
7	9.34	6.11
2	9.69	6.11
7	10.04	6.11
1	10.38	6.11
4	10.71	6.11
6	11.04	6.11
9	11.37	6.11
0	11.69	6.11
0	12.02	6.11
9	12.37	6.11

0	572.00	691.77
6	67.94	86.77
4	504.06	602.00
2	50.41	60.22
0	416.00	497.77
4	88.00	106.66
2	8.81	10.66

0	1144.00	1393.44
0	176.50	211.11
0	907.41	1172.11
2	48.37	58.44
0	1000.00	1000.00
0	132.59	172.11
0	11.65	8.66

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He was a rootin' tootin' dream come true

Yessir, Pecos Bill was a mighty big man. But he wasn't any bigger than the men who dreamed him up, out there on the Western range, gabbing around the chuck wagon.

He was a tough one, they said, reared by a coyote and educated by a grizzly bear. He sweetened his coffee with barbed wire, and killed twelve rustlers every morning just for exercise.

But he fought fair, Bill did. He always let a rattlesnake take the first three bites before he whupped the pizen clean out of him.

They say Bill invented everything about the cow business. Roping was his notion. His lariat was four feet shorter than the equator, and he could loop a herd of cattle with one throw. The Rio Grande was his idea, too. He dug it one morning to water his private

ranch, which geography books now call New Mexico.

Bill might have lived forever, but one day he met a man from Boston wearing a mail-order cowboy outfit and asking fool questions about the West. Poor Bill. He just lay down and laughed himself to death.

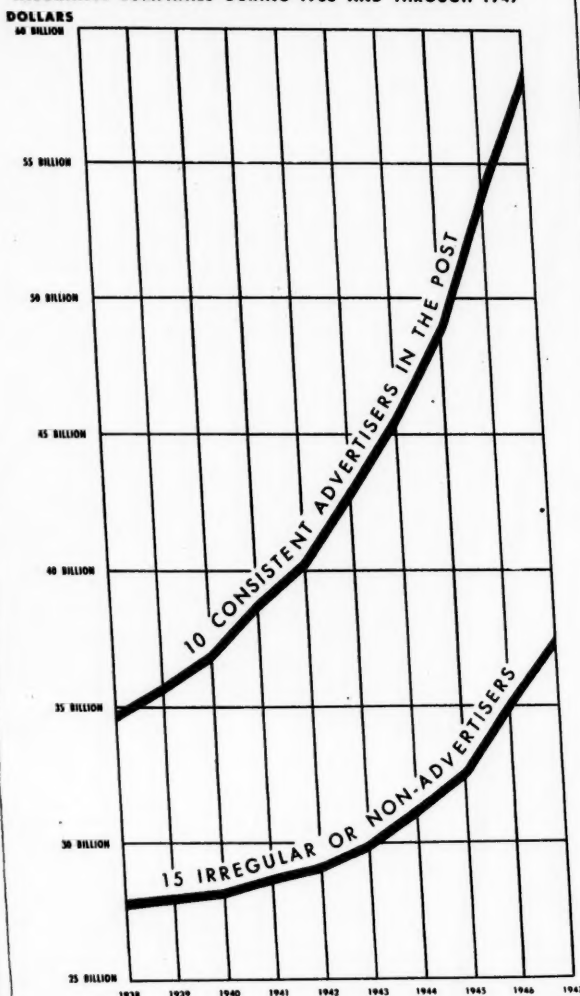
And that's Pecos Bill, American legend, folk hero of a people who imagine big, dream big, do big. He's a product of the same rip-snorting imagination that looked at an empty wilderness, not very long ago, and thought: "We can build a new kind of country here... a land where every man is free to earn his share of happiness and prosperity and security." That was a whopper too, until we showed the world we could do it. And life insurance is one of the things we invented to make the vision real.

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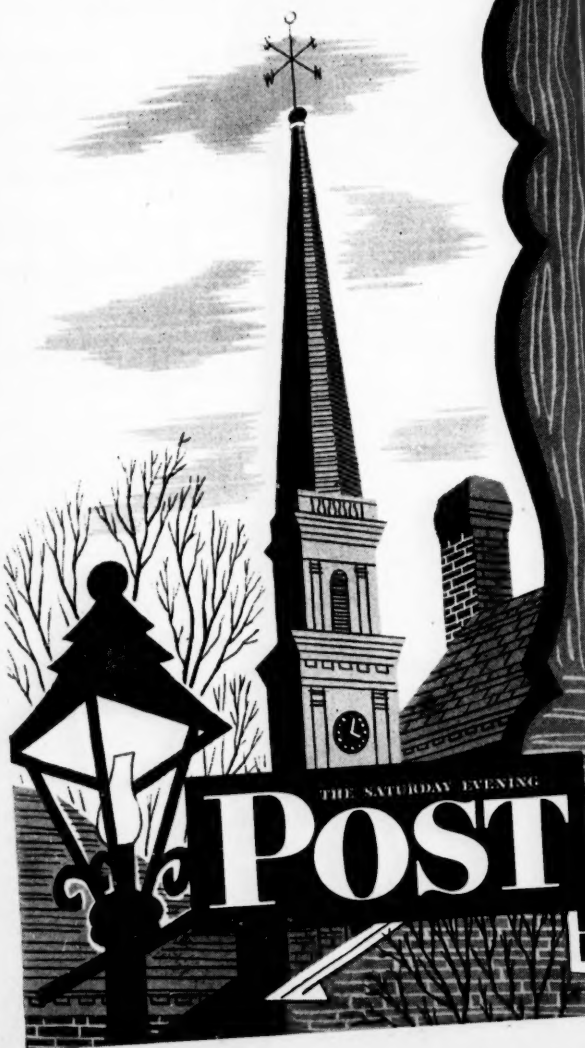
as a guide
to better
business

GRAPH SHOWS THE GROWTH OF ORDINARY LIFE INSURANCE IN FORCE (IN BILLIONS OF DOLLARS) WITH LEADING LIFE INSURANCE COMPANIES DURING 1938 AND THROUGH 1947



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